Statement of the Transportation Departments of
Idaho, Montana, North Dakota, South Dakota, and Wyoming
before the
Committee on Environment and Public Works
United States Senate
presented by
John Cox
Director, Wyoming Department of Transportation
on
Authorization of Surface Transportation Programs
April 14, 2011

Chair Boxer, Ranking Member Inhofe, and Members of the Committee:

Good Morning. I am John Cox. I am the Director and Chief Executive Officer of the Wyoming Department of Transportation. I appear today to present a joint statement on behalf of my own department and four additional transportation departments – those of Idaho, Montana, North Dakota, and South Dakota.

As transportation departments serving predominantly rural states, we are concerned that the rural perspective is not presented in many discussions concerning authorization of surface transportation programs. We (the five departments) appreciate the opportunity to present that perspective here. At the outset I want to express our appreciation to Senator Barrasso for helping provide this opportunity and for his strong interest in our views. I also want to thank Senator Baucus and Senator Crapo for their interest and work through the years to help ensure consideration of the rural perspective in surface transportation.

Overview

Significant Federal Transportation Investment in Rural States Benefits the Nation. Our principal point is that the entire nation, including residents of major metropolitan areas, is well served by significant Federal investment to improve surface transportation infrastructure in and across rural states like ours. We ask that this be reflected in the funding provisions of the authorization legislation the Committee is developing.

We also address additional issues, including the following:

- **Increase Flexibility**. Many have spoken of the importance of doing more with each dollar. One way to do this is to provide each state with increased flexibility to direct scarce funds to their highest priorities. Set asides, narrow categorical programs, and other restrictions should be eliminated or reduced and replaced with broader eligibilities, funding flexibility and fewer regulatory and program restrictions.
- **Expedite Program and Project Delivery**. Many also have spoken in support of

expediting the program and project delivery process. We agree. New legislation should simplify and streamline the Federal surface transportation program. Similarly, proposals that would add to already extensive statewide planning requirements and other suggestions that would complicate program and project delivery should not be included in new legislation.

- The current ratio between highway and transit program funding should be maintained.
- Formula programs, compared to discretionary or allocation programs, should be given increased funding emphasis.

These and other points are discussed in the balance of our statement.

Key Points

Significant Federal Transportation Investment in Rural States Benefits the Nation

The national interest requires significant Federal surface transportation investment in rural states. Consider truck movements from ports in California or the Pacific Northwest to Chicago or other heartland or eastern destinations. These and other movements traverse states like ours and benefit people and commerce in the metropolitan areas at both ends of the journey. The Federal-aid highways in our rural states provide many national benefits. These routes --

- serve as a bridge for truck and personal traffic between other states and between major metropolitan areas, advancing interstate commerce and mobility;
- enable agricultural exports and serve the nation's ethanol production, energy extraction, and wind power industries, which are located largely in rural areas;
- provide access to scenic wonders like Yellowstone National Park and Mount Rushmore;
- have become increasingly important to rural America, with the abandonment of many rail branch lines;
- are a lifeline for remotely located and economically challenged citizens, such as those living on tribal reservations;
- enable people and business to access and traverse vast tracts of Federally owned land; and
- facilitate military readiness.

In addition, the Federal-aid program enables enhanced investment to address safety needs on many rural Federal-aid routes. The investments supported by Federal highway and surface transportation programs also create both direct and indirect jobs and support economic efficiency and growth.

Yet, our states face significant transportation infrastructure funding challenges. We can't provide all these benefits to the nation without Federal funding leadership. We –

- are geographically large, often including large tracts of Federal lands;
- have extensive highway networks; and
- have low population densities.

This means that we have very few people to support each lane mile of Federal-aid highway -- and preserving and maintaining this aging, nationally connected system is expensive. Yet, citizens from our states contribute to this effort significantly -- the per capita contribution to the Highway Trust Fund from rural states exceeds the national average. Further, with our low population and traffic densities, tolls are not a realistic option for funding transportation needs in rural areas.

In short, past Congresses have recognized that it is in the national interest that significant Federal funding be provided to support highways and transportation in and across rural states. For reasons such as outlined above, the funding provisions of the upcoming authorization bill (sometimes called a reauthorization bill) should continue that approach.

Maintain the Current Ratio between Highway Program Funding and Transit Program Funding

We support maintaining the current ratio between highway program and transit program funding, which is approximately 4-1. Unmet highway program needs are more than sufficient to warrant this approach. USDOT's most recent Conditions and Performance Report includes data indicating that the cost to maintain/sustain Federal-aid highway conditions and performance is 6-7 times the cost to maintain/sustain transit conditions and performance. Moreover, the revenues paid into the Highway Trust Fund are paid by highway users. In addition, the highway program is the more flexible of the two programs; for years many states have transferred significant highway funds to transit projects. There are needs for additional investment in both highways and transit. If funds should be available to allow for program growth, we would grow the highway and transit programs proportionately, maintaining that 4-1 ratio.

Increase the Percentage of Highway Program Funds Distributed to the States through Formula Funding to at least Ninety Percent

In a reauthorization bill Congress should increase the percentage of funds, especially highway funds, distributed to the states by formula, with emphasis on funding for core programs to address needs on Federal-aid highways, including but not limited to the National Highway System. At least 90 percent of highway program funding should be for formula programs.

In recommending this approach, we note that discretionary and allocation programs are generally slower to put funding to work than formula programs. At a time when it is important to generate jobs promptly, the approach that puts the funds to work faster has much to commend it.

In addition, we would have particular concern if any new discretionary programs were structured in a way that made it unrealistic for rural states to participate financially. New programs limited to projects in large metropolitan areas or to extremely expensive projects would not be accessible by our states and would represent an approach to discretionary funding that lacks urban-rural balance.

We have similar concerns that infrastructure bank/fund proposals would end up being relatively inaccessible for projects in rural states and that funds could not be put to work as promptly under such a program as they would be under formula programs.

As there has been much discussion of increasing TIFIA funding, we also note that the benefits of TIFIA type leveraging might be achievable through means other than a discretionary program. For example, legislation could provide for a state to seek a loan guarantee decision from USDOT and, if the request is approved, the state could be allowed to transfer some of its apportionments to USDOT in support of the credit risk cost. Such an approach would provide the leveraging power of a Federal loan guarantee while utilizing apportionments rather than discretionary programs.

We are not suggesting that the legislation not include a TIFIA program, but we think it is important for the legislation to emphasize formula funding and state decision making and we wanted to emphasize that many issues can be addressed through formula funds. Non-formula programs -- TIFIA, Federal Lands, research, FHWA administrative costs, and other -- should not exceed 10 percent of the highway program.

Avoid Program Complications and Increases in Regulatory Requirements; Instead, Expedite and Simplify Program and Project Delivery

The reauthorization bill should exclude proposals that make the Federal highway program more complicated. The bill also should include provisions that simplify and expedite the program and project delivery process. The current highway and transportation program is complex. We would like to see processes streamlined and simplified so we can deliver projects more efficiently.

All things being equal, we would be delighted to see a reduced number of highway program categories or elements (particularly the very small program categories or program set asides). However, when programs are revised or reorganized, sometimes the remaining or new program categories include new complications. New complications should be avoided.

To illustrate, today the Interstate Maintenance (IM) program includes certain restrictions on use of funds for new capacity. We are concerned that a reconstituted highway program could expand those restrictions to additional roads, such as non-Interstate NHS routes, or expand those restrictions to a larger pool of highway funds. Additional restrictions would not be in the public interest and could be particularly harsh in a rural context.

For example, adding turn lanes, passing lanes or shoulders are improvements that might be thought of as capacity enhancing – but they are also important to safety. Proposals to restrict use of certain funds for capacity on NHS routes don't seem to have been developed for our states' circumstances, where many NHS routes are 2 lane highways. Capacity restrictions on key arterial routes in rural areas might inhibit safety improvements, such as passing lanes or turn lanes. All other things being equal, we would prefer continuing the current Interstate Maintenance, NHS, and bridge programs to a new approach that combines them into a single program with significant new restrictions and requirements.

In any event, we urge consideration of continuing the NHS and increasing its share of highway program funding. That would properly emphasize ensuring national connectivity and would also support freight movement. We also support increasing the base Federal share of non-Interstate NHS projects to 85 percent, to reinforce the importance of the NHS.

Similarly, today's CMAQ program provides considerable flexibility to states receiving minimum apportionment funds for CMAQ. If a CMAQ program is retained, so should its minimum apportionment. We are concerned that a shift to a "livability" program, discussed by some, could result in less flexibility, more program restrictions, and possibly less funding for our states.

The reauthorization bill also should continue the ability of states to transfer funds between program elements to a degree at least as extensive as under today's program. Transferability better enables states to use funds to meet their own particular needs.

We are pleased that there seems to be momentum for the next reauthorization bill to include provisions to facilitate and expedite project development, such as harder deadlines for NEPA processing and other agency reviews, and additional categorical exclusions from NEPA.
In addition, we note our concern that some may propose complicating the already comprehensive and challenging statewide planning process. Particularly in times when available funding will not fully meet needs, we urge the Committee to resist provisions that would complicate the process -- whether they are to add consultation requirements, change consultation requirements to "coordination" requirements, require more items to be considered, or make other changes.

Similarly, the new legislation should not include provisions imposing new funding sanctions or increasing current sanctions.

Freight. We support a well-functioning freight system and we certainly think we advance this goal in implementing the highway programs in our states. We will review any proposal to establish a "freight program" to consider whether it is fair to rural states, such as by not being focused on congestion relief projects. There are many types of projects that can assist effective freight movement, including improvements to routes in rural areas that help people and goods traverse long distances. For example, to better serve agriculture and the nation, projects that facilitate truck to rail transfers at grain terminals and other locations should be eligible for funding through formula programs.

Performance Measurement and Regulation. One area where new requirements are being actively discussed concerns performance goals, measures, and targets. Everyone believes in improving performance. But we think great care must be taken to ensure that any legislative provisions concerning performance measurement do not result in new and excessive Federal regulation that may restrict state project choice, complicate and delay program implementation, require expensive and time consuming process and data collection, or even reduce funding available to a state or states for infrastructure investment.

We emphasize that states are already using performance measures. Efforts to utilize performance measures will continue at the state level even if there is no Federal legislation on this subject. Congress should recognize that state DOTs are already closely scrutinized by their legislatures, Governors, and stakeholders and are already doing all they can with available resources.

However, we recognize that the discussion of performance measurement is extensive and that Congress could choose to address it. Accordingly, we offer several suggestions regarding legislation in this area.

First, any Federal role should be carefully circumscribed and limited. Legislation should not broadly authorize USDOT to develop measures and targets and use state results as measured as a factor (positive or negative) in the distribution of formula or discretionary funding. If there are to be measures and targets, they should be limited to a few areas and combined with language providing that USDOT does not have authority in this area except as specified. Further, any authority for USDOT in this area must not extend to issues that are ambiguous or not well defined. If, for example, legislation were to allow USDOT authority to promulgate "livability" measures and impose funding penalties (or rewards) based on a state's "livability" performance, it would be hard to know what would result.

Very importantly, USDOT should not be allowed to set performance targets for the states, and failure to hit state targets should not result in financial penalties or other sanctions upon states. Nor should performance results be tied to funding in any way. Nor should legislation call for or authorize Federal approval of any state performance or investment plans.

Any national (Federal) performance approach should be limited to a few broad national purposes and be very general in nature. The approach should be to allow states to tailor their own specific performance measures consistent with the general national purposes and report back to USDOT on results under the state measures. This strong state role properly avoids a "one size fits all" approach. If Congress were to allow USDOT to set performance measures, procedural protections would be appropriate, including providing the public notice and the opportunity to comment on all such proposals by USDOT. Simply, it is important that the legislation not restrict State authority or flexibility or divert scarce funding from infrastructure investment to costly processes imposed on hard pressed state governments.

In short, Congress should be very careful in structuring any legislation in this area. If Congress chooses to act, it should proverbially "stick its toe in the water" before jumping in and should carefully limit Federal agency authority.

Flexibility, Not Requirements, Should be the Approach to Addressing Various Issues. We have seen in recent years various proposals to address, in reauthorization legislation, climate change issues, the elusive concept of "livability," and "complete streets." Such proposals are often thought of as supporting transit, biking, or walking. New requirements in these areas, however, should not be imposed on states through specific legislation or through grants of authority that would allow such new requirements to be imposed through regulations. Flexibility should be the approach. To the extent Federal law does not already provide a state with flexibility to make investments in these areas, flexibility can be provided.

Climate Change. Our states are very rural in nature and have extreme winters and varying topography. There is only so much we can do of a practical nature to promote new options or promote walking, bicycling, transit, and other efforts to stabilize, much less reduce transportation-related greenhouse gas (GHG) emissions. While large metropolitan areas may be able to invest in such projects and attract many users, our low population densities and cold weather limit the reasonable options for such projects available to us. So, among our concerns are that legislation should not force (or authorize a Federal agency to force) rural states like ours to undertake unrealistic efforts to reduce transportation-related GHG emissions -- especially at a time when funding is likely to fall short of meeting needs.

Livability. "Livability" is often discussed in terms of providing options for transit, bicycling, and walking. This is being done today, under current law, even in rural states, when states or, in some cases, metropolitan planning organizations (MPOs), find it meritorious. So, when it makes sense from their perspective, rural states will pursue investments in transit, bike paths, and sidewalks. But good roads also make a community more livable. We are concerned that legislation could end up including livability mandates geared towards circumstances in very large metropolitan areas. If new legislation is to advance "livability," it should be limited to requiring state (and MPO) consideration of the concept, while leaving the states (and MPOs) freedom to determine what livability means in their states. To go any further would seem to insert the Federal Government into project selection, something that should be vested with states (or, where applicable, MPOs or transit agencies).

Complete Streets. Similarly, we do not support increased regulation through "complete streets" provisions, sometimes called "comprehensive street design" and "practical design" provisions.

Today, states have considerable authority, through various features of title 23, United States Code, to choose to invest in transit, bike paths or lanes, sidewalks and other street features. Rural states like ours are among those that pursue such projects when funding them is the outcome of the planning process.

Some "complete streets" proposals go beyond providing flexibility to make such investments and would require certain types of investments. Such legislation could significantly restrict state flexibility, project design, and project selection by authorizing new Federal regulation regarding issues such as whether states have "balanced" costs with the "necessary" scope of a project and adequately preserved "aesthetic resources" and "adequately" accommodated all users. Defining and interpreting such terms may broaden project scopes substantially, increase project costs while delaying project delivery, and result in less of a state's scarce funding being directed to improved infrastructure.

We saw discussion of "complete streets" in the USDOT Draft Strategic Plan as a safety issue. The safety of all users – drivers, pedestrians, and bicyclists – is important. How to best advance safety is considered by states, using extensive local professional knowledge and experience, in developing their respective Highway Safety Improvement Plans. That flexibility should be preserved. Legislation should not provide USDOT with authority to ask for project redesigns to achieve consistency with some type of national, one size fits all "complete streets" criteria in lieu of making other investments that a state finds more important.

Some Funding Considerations

Consider Changing the Financing of USDOT Administrative Costs. To help make each Highway Trust Fund dollar deliver more transportation benefits, we suggest that the reauthorization bill phase out payment of USDOT administrative costs (FHWA, FTA, and other) from the Highway Trust Fund. Those costs, of course, should be funded – but preferably through General Fund appropriations. Phasing in this approach is one reasonable response to the shortage of resources in the Highway Trust Fund for transportation investment. Once phased in, it could free up some funds annually for transportation investments. We also believe that this approach better reflects the general government nature of much of USDOT's program

administration.

Tax Credit Bonds. We remain supportive of the Federal tax credit bond proposal introduced by Senator Wyden with Senator Thune and others in 2007. It represents a new way to increase Federal surface transportation investment. Importantly, compared to other ideas to advance surface transportation infrastructure investment outside of the Highway Trust Fund, under this tax credit bond concept, all states would receive at least some transportation funding and the states could decide how to use that funding. This is preferable to ideas that ultimately have all projects selected by Federal officials.

Public Transportation

Public transportation is not just for big metropolitan areas. Even though our share of Federal transit program funds is very small, transit plays a role in the surface transportation network in rural states.

The Federal transit program includes apportionments for rural transit. Federal investment in rural transit helps ensure personal mobility, especially for senior citizens and the disabled, connecting them to necessary services. Transit service is an important, often vital, link for citizens in small towns to get to the hospital or clinic as well as to work or other destinations. Some rural areas are experiencing an increase in the age of the population. Public transit helps senior citizens meet essential needs without moving out of their homes. Federal public transportation programs must continue to include funding for rural states and not focus entirely on metropolitan areas.

Further Discussion of the National Benefits of Significant Federal Transportation Investment in Rural States

Before closing we provide some additional information on the important benefits provided to the nation from Federal surface transportation infrastructure investment in rural states like ours.

Transportation Investment in Bridge States Connect the Nation's People and Businesses

Highway transportation between population centers in different regions of the country requires good roads to bridge the often vast distances between origins and destinations. This connectivity benefits the citizens of our nation's large metro areas because air or rail may not be the best option for particular movements of people or goods across the country. The many trucks on highways in states like Idaho, Montana, North Dakota, South Dakota, and Wyoming demonstrate every day that people and businesses in the major metropolitan areas benefit from the nation's investment in Federal-aid highways in rural states.

The most recent data we have seen on truck origins and destinations show that the percentage of truck traffic using highways in our respective states that does not either originate or terminate within the state exceeds the national average. For Wyoming the percentage was 77.1; South Dakota, 68.2; Montana, 62; North Dakota, 59.4; and Idaho, 53.2. The national median for states is approximately 45 percent. Clearly, trucking in our states is largely "long haul" and serving a

national interest. Moreover, in Wyoming trucks account for 60 percent of current traffic on I-80.

Ensuring that the nation is well connected through a system of Interstates and other routes in and across rural states enables a great deal of long distance freight movement and supports the nation's economic competitiveness.

Essential Service to Agriculture, Natural Resources, Energy

A significant portion of the economy in our region is based on agriculture, energy production, and natural resource extraction. Agriculture is one sector of the economy in which the United States has consistently run an international trade surplus, not a deficit. Over the last two decades roughly 30 percent of all U.S. agricultural crops were exported.

There is a strong national interest in ensuring that agricultural, forest, and other resource products have the road network needed to deliver product to markets, particularly export markets. A key part of that network is the roads below the National Highway System, where crops and resources begin their journey from point of production to destination.

In addition, the ethanol and alternative fuel industry, the wind power generation industry, and oil, natural gas, and coal reserves are located mostly in rural America and not on National Highway System routes. These industries are an important part of the national effort to reduce dependence on foreign oil. The roads that serve them need preservation and, in some cases, improvement.

Tourism Access

Without a strong road network in the rural West, access to many of our country's great National Parks and other scenic wonders would be limited. The residents of major metropolitan areas may travel the roads approaching Yellowstone National Park or the Mount Rushmore National Monument infrequently. But those citizens want quality highway access to these national treasures for those special trips. Millions of those special trips are made even though the roads leading to the parks are fairly distant from the Interstate System. For example, in 2010 recreational visitors to Yellowstone, Glacier, and Grand Teton national parks totaled nearly 8.5 million people. The entire population of Wyoming and Montana combined is less than 1.5 million.

Other important scenic destinations are located in this region – from the Theodore Roosevelt National Park in North Dakota, to the Badlands National Park in South Dakota, to the Craters of the Moon National Monument and the Sawtooth National Recreation Area in Idaho. Investment in highways that provide access to these wonderful places also helps ensure that American and international tourism dollars are spent in America, furthering national economic goals.

The Federal Highway Program Should Continue to Provide Funding for Interstates, the NHS, other Arterials, and Major Collector Routes

Under this long-standing statutory policy, approximately 24 percent of the nation's over four million miles of public roads are eligible for Federal aid. This strikes a good balance, focusing the Federal program on the more important roads, but not on so few roads that connectivity and

rural access are ignored. We emphasize that non-NHS Federal-aid roads are an important part of the network of Federal-aid routes. These roads make up approximately 20 percent of total road miles in the nation and carry over 40 percent of the traffic nationwide. These routes provide an important link between the NHS and the local roads where so many trips begin or end.

Attached to our prepared statement is a map that shows the huge gaps between NHS routes in our states. Entire states can fit into those gaps. This illustrates how important it is to support routes in addition to the NHS to ensure national connectivity and access.

In many parts of rural America air service and passenger rail service are hundreds of miles away and not a viable option. For those parts of our country the road network is a lifeline, making it essential to preserve the Federal-aid network in good condition. Some of the citizens most in need of a lifeline of Federal-aid highways are among our nation's poorest and most isolated citizens, including some living on Indian reservations.

Further, over the last two or three decades tens of thousands of rural rail branch lines have been abandoned. Over that time, Class I railroads have shed more than 100,000 route miles. While some former Class I miles are still operated by smaller railroads, many rural areas must rely more heavily on trucks for important commerce needs. In turn, that means the road network has become even more important in meeting those needs, such as delivering crops to grain elevators or moving raw products to, or finished products from, ethanol production facilities.

This is confirmed in the "Study of Rural Transportation Issues" released by the United States Department of Agriculture and the USDOT on April 27, 2010. This Federal report found that various changes in rail transportation have "resulted in the movement of grain over local roads for longer distances."[1]

For these and other reasons, the extent of the road network eligible for Federal funding should not be reduced.

Improving Safety

There has been increased and welcome attention in recent years, including in SAFETEA-LU, to the national interest in improving safety on rural roads. More than two-thirds of all roads in the U.S. are located in or near areas with populations of less than 5,000. Approximately 70 percent of Federal-aid highway lane miles are in rural areas. A 2001 GAO Report found that, on rural major collectors, the fatality rate per 100 million vehicle miles traveled (VMT) was over three times the comparable fatality rate on urban freeways. In Idaho, 79 percent of all highway fatalities from 2004-2008 occurred on rural routes.

Today, with a Federal-aid highway system that properly includes routes in addition to the NHS, the most important of rural roads are broadly eligible for Federal funding. In addition, safety projects are eligible for funding on all public roads. Those aspects of current law should continue under new legislation. Moreover, continuing to provide a strong share of Federal transportation funding to rural states will enable them, in turn, to make investments that will

[1] See a "Study of Rural Transportation Issues" by USDA and USDOT at, for example, preface, pages ix and x.

improve safety and save lives on many rural routes.

Large Parcels of Federal Land Warrant Federal Transportation Investment in Impacted States

There are huge parcels of Federally owned land in the West. Idaho, for example, is over 60 percent Federal and tribal lands; Wyoming, over 50 percent; Montana, roughly one-third. Even California is over 40 percent Federal and tribal lands.

Development or use of Federal lands is either prohibited or limited, and state and local governments can't tax them. Yet, the nation's citizens and businesses want reasonable opportunities to access and cross those lands. This is an expensive transportation proposition for sparsely populated states. Significant investment of transportation dollars by the Federal government has been and remains a proper response, both in terms of apportionments to low population density states and in terms of direct Federal programs generally referred to as the "Federal Lands Programs."

Distinct from apportionments to states, the Federal highway program has long included separate funding for Indian Reservation Roads and highways on Federal lands and in national parks. These are lands with no private ownership (except perhaps small inholdings). While there are national parks, other public lands, and tribal territories throughout the country, it is fair to say that the Federal public lands highway programs probably never would have been developed but for the large Federal and tribal land areas in the West. We were pleased that the Policy and Revenue Study Commission's report recommends continuation of Federal Lands highway programs. We agree; the Federal lands highway programs should be continued.

Rural States Face Serious Obstacles in Preserving and Improving the National Highway and Surface Transportation Network

Our rural states face a number of serious obstacles in preserving and improving the Federal-aid highway system within our borders. As noted earlier, our states:

- are geographically large, often including large tracts of Federal lands,
- have low population densities, and
- have extensive highway networks.

Taken together, this means that, in our states, there are very few people to support each lane mile of Federal-aid highway. In North Dakota, for example, there are about 16 people per lane mile of Federal-aid highway, in Idaho 60, in South Dakota 19, in Montana 29, and in Wyoming 29. The national average is approximately 129 people per lane mile. This alone indicates that our citizens have limited ability to pay for the national network connectivity that benefits the entire nation.

In addition, the per capita contribution to the Highway Trust Fund attributable to rural states generally exceeds the national average, as vehicle miles traveled (VMT) per capita in our states is also above the national average. In addition, rural states and areas generally have per capita incomes below the national average even as they make these contributions to the Highway Trust

Fund. For example, the per capita contribution to the Highway Account of the Highway Trust Fund attributed to Montana is $151, compared to a national average of $114. This higher per capita contribution is made even though the per capita income in Montana is over $5,000 less than the national average.

These factors make it very challenging for rural states to provide, maintain, and preserve a modern transportation system that connects to the rest of the nation and to global markets and economic opportunities -- even with Federal funding at today's levels. And our citizens must contribute not just towards capital investment, which is partially funded by the Federal program, but also to maintaining Federal-aid highways, which is solely a state expense.

Accordingly, to achieve the important benefits of a truly national, interconnected highway and surface transportation system, the Federal highway program must provide significant funding for the Federal-aid road network in rural states.

Our Needs Are Large, and Inflation Has Made it Much Harder to Meet Needs

Rural states' needs for highway investment and maintenance exceed available combined Federal, state, and local resources by a wide margin. Program levels have not risen with inflation and, even with our efforts to be efficient, future needs are building up. We are very mindful that budgets are constrained, but do note that the needs are there for additional funding for highway and surface transportation programs. Any additional funding certainly would be put to good use promptly in our states.

Conclusion

Significant Federal investment in surface transportation infrastructure in rural states is a prerequisite to moving people and goods throughout the country and is in the national interest, for the many reasons we have presented today. We are hopeful that this national interest will be reflected in the funding provisions of the reauthorization legislation, as it has been in previous surface transportation laws.

We also recommend that the highway and other programs be simplified and that the program and project delivery process be expedited. We are also hopeful that Congress will exclude from the legislation any proposals that would complicate planning or program provisions.

With significant Federal investment in surface transportation infrastructure in rural states and a streamlined and simplified program, our states (as well as others) will be better equipped to help meet national interest surface transportation investment needs -- while generating jobs and economic growth. This approach will benefit not just residents of rural America, but also the citizens and businesses of our nation's more populated areas.

That concludes our statement. I'll be pleased to respond to questions at the appropriate time though, to the extent the responses go beyond the positions we have addressed in writing, I am able to respond only for my own department.

We (the transportation departments of Idaho, Montana, North Dakota, South Dakota, and Wyoming) thank the Committee for its consideration of our views.

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One page map attached

Interstate and Non-Interstate National Highway Systems in ID, MT, ND, SD and WY

Entire Federal-aid System is Necessary for Connectivity