Good Morning Chairman Inhofe, Senator Boxer and members of the committee. My name is Steve Heminger and I am executive director of the Metropolitan Transportation Commission, the metropolitan planning organization (MPO) for the San Francisco Bay Area. A few years ago, I also served on the congressionally-chartered National Surface Transportation Policy and Revenue Study Commission. I very much appreciate this opportunity to testify on the still relevant title subject of that commission's report: Transportation for Tomorrow.

United States Senators have a lot on their plates. Accordingly, let me make three brief points on the subject at hand. First, I want to thank this committee for the considerable progress you've made in reforming the nation's surface transportation program. The emphases in MAP 21 on program consolidation, performance-based outcomes, freight policy and permit streamlining are all welcome developments. Your bi-partisan leadership is helping states and MPOs make better investment decisions and deliver those projects faster to our constituents.

Second, despite these advances, federal policy still lacks sufficient focus on the investment needs of the nation's economic engines: the metropolitan areas that more and more Americans call home. The fact is, the U.S. economy will rise or fall based on how well our metro economies compete in the global marketplace. For example, Bay Area residents contribute almost 60% more to our gross domestic product than the average American. In regions as diverse as Houston and Boston, this "metro dividend" is nearly 40% above the national average. The federal-state relationship is the cornerstone of American federalism – and the transportation arena is no exception. But that should not preclude a new "performance partnership" with dedicated funding between the U.S. Department of Transportation and the nation's MPOs. We need to keep those economic engines primed.

Finally, if we want better conditions and performance from our roads, bridges and public transit systems, we are going to have to figure out a way to pay for it. The members of this committee probably have forgotten more about politics than I will ever know. But I do know this: since the federal gas tax was last adjusted in 1993, 42 states have raised their rates – some by a little, others by a lot; some by indexing, others by voting. These states range from the brightest red to the deepest blue. Somehow, all those governors and state legislators figured out a way to pay for needed transportation improvements. Moreover, the math is pretty compelling: doubling the current federal user fees on gasoline and diesel fuel would generate over $30 billion per year and create more than 300,000 jobs, yet it would cost the average motorist less than 30 cents per day.

Let me end where I began. Your reform agenda is working. But there is no free lunch when it comes to infrastructure. Indeed, the only question is whether we want to pay <u>now</u> to improve our roads and rail lines, or whether we want to pay <u>later</u> in crumbling facilities that will curtail our economic potential. I remain optimistic that this Congress will make the right choice. Thank you for your continued leadership of the nation's surface transportation program.