

AMERICAN ASSOCIATION
OF STATE HIGHWAY AND
TRANSPORTATION OFFICIALS

AASHTO

STATEMENT FOR THE RECORD FROM THE
**American Association of State Highway and
Transportation Officials**

REGARDING
Infrastructure: The Road to Recovery

BEFORE THE
**Committee on Environment and Public Works of the
United States Senate**

ON
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INTRODUCTION

The American Association of State Highway and Transportation Officials (AASHTO) appreciates the opportunity to submit this Statement for the Record to the Senate Environment and Public Works Committee (Committee). As the association that represents the transportation departments of all 50 States, Washington, DC, and Puerto Rico, AASHTO provides the perspective of the nation's state departments of transportation (state DOTs) on the crucial role that highway infrastructure investment—through a robust, multiyear surface transportation reauthorization—can play to drive our nation's economic recovery and economic growth in light of the COVID-19 pandemic.

A safe, well-functioning, and resilient system is the foundation of a strong economy and it provides quality of life benefits such as access to employment, education, recreational, and health services opportunities. And we could not be more grateful for the hard work of your staff and fellow Committee members on the multiyear reauthorization of surface transportation programs and we again congratulate the Committee on the unanimous passage last year of America's Transportation Infrastructure Act (ATIA).

ATIA represents a very strong investment and policy package for state DOTs. We appreciate that it provides 90 percent of Highway Trust Fund dollars by formula directly to states, retains core program categories from the Fixing America's Surface Transportation (FAST) Act with existing federal share and transferability, improves program and project delivery, provides greater flexibility across a range of programs including freight, safety, and system resiliency—and does all of this as part of a robust, five-year investment package that would follow the FAST Act without any program disruption.

AASHTO welcomes today's discussion highlighting the importance of federal highway infrastructure investments and the especially timely need for reauthorization to aid economic recovery from our current national emergency. As this Committee continues to develop infrastructure legislation, we emphasize the immediate need for \$50 billion in direct federal aid to state DOTs as crucial state transportation revenue backstop, and utilizing surface transportation reauthorization as platform for national economic recovery and growth.

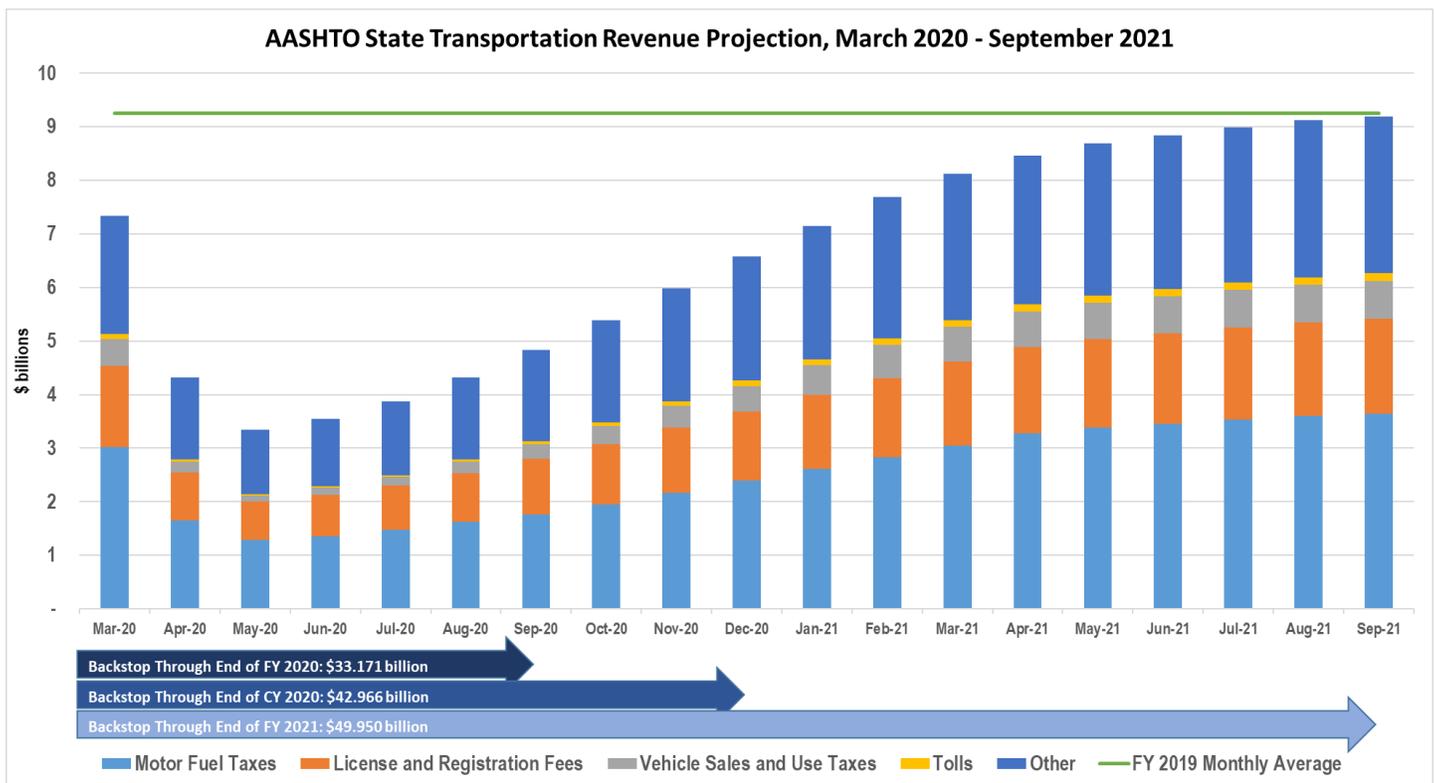
IMMEDIATE REVENUE BACKSTOP FOR STATE DOTs

Despite the uncertainty and rapidly-changing nature of the current pandemic, state DOTs are working tirelessly to ensure the health and safety of their residents, employees, and the traveling public as they maintain their transportation systems. But state DOTs cannot continue to do its work without help from Congress.

On April 6, 2020, AASHTO requested Congress to provide \$49.95 billion as an immediate revenue backstop for state DOTs in order to prevent major disruptions in their ability to operate and maintain their transportation systems during this national emergency. Compared

to \$111 billion in state transportation revenues in FY 2019, according to the National Association of State Budget Officers, preliminary projections from state DOTs show an estimated 30 percent decline in revenue, on average, for the next 18 months. This dire revenue estimate is consistent with recent traffic data showing that personal travel is still recovering from the low of 48 percent decline in April due to widespread stay-at-home orders.

All state DOTs surveyed in early April 2020 require the federal backstop in the coming months; for 39 percent of the surveyed states, this support is actually needed right now, not in a few weeks or months. This crucial federal backstop will prevent cancellations and delays of projects as well as potential job losses both in the state DOT workforce and the private sector.



The \$50 billion federal backstop is absolutely crucial for every state DOT function—covering capital programs, operations, maintenance, and administrative support.

First, virtually every state is expected to face difficulties in delivering their capital and construction program, including delays in project design, bid lettings, and construction. And projects planned to address recovery from prior natural disasters like hurricanes and flooding are unable to continue in certain states. Not only will this create difficulties for state DOTs, but the cancellation or delay of projects will dramatically impact our private sector partners such as construction, design and engineering firms and their employees.

Second, routine state DOT operations are expected to be adversely impacted, including rest area operations to support the trucking industry, traffic and safety management including incident response and 511, and public transportation and ferry services.

Third, the ability of state DOTs to implement asset management plans to maintain their system in a state of good repair is being challenged. Routine maintenance activities impacted include pavement repair and preservation, culvert replacement, ditch clearing, bridge repairs, signal maintenance, line painting, guardrail repair and replacement, and many other critical activities. Fourth, the ability for state DOTs to assist local governments in completing important transportation infrastructure projects will be impacted – having a cascading effect upon our local government partners.

And lastly, state DOTs are facing unprecedented administrative issues, including meeting payroll to prevent furloughs and layoffs. Suspension of pay and hiring freezes are already being implemented and IT infrastructure is severely constrained.

Simply put, the requested revenue backstop is critically important to make sure that current transportation work, projects and activities can be stabilized without major disruptions. State DOTs must receive the federal backstop in order to continue operations in the immediate weeks and months ahead. Without the backstop, the core capabilities of state DOTs will deteriorate and not allow them to be in a position to implement a much-needed, robustly funded reauthorization bill that, because of the leadership of this Committee, is pending in the Senate.

UTILIZING SURFACE TRANSPORTATION REAUTHORIZATION AS PLATFORM FOR NATIONAL ECONOMIC RECOVERY AND GROWTH

Transportation investment is a proven platform for economic activity with long-lasting mobility and productivity benefits. The Fixing America's Surface Transportation (FAST) Act, which has provided five years of funding stability and certainty to state DOTs, will expire in just over four months. As we continue to work through the economic shock of the COVID-19 pandemic, Congress must take bold and historic action to revitalize our nation's economy and secure our long-term future by enacting a robust, long-term surface transportation package that invests in highway, highway safety, transit, and passenger rail programs in every state and community across America.

According to the US Department of Transportation's *Conditions and Performance Report: 23rd Edition* published earlier this year, our nation's total investment backlog in 2014—the latest year available—stood at \$902 billion, with a highway and bridge backlog of \$786 billion and a transit backlog of \$116 billion. This cumulative backlog—resulting from decades of underinvestment—represents all highway, bridge, and transit improvements that could be economically justified for immediate implementation.

To address this backlog and stimulate the economy, we request that you double the amount of federal surface transportation funding and reauthorize these programs for at least another six years. These actions will finally put us on the path to eliminate this longstanding investment backlog by the end of this decade while meeting arising asset condition and performance needs to support and sustain our multiyear economic recovery and growth.

In providing these resources, we recommend that Congress utilize contract authority for funding stability and certainty. In addition, we ask you to focus on maximizing formula-based dollars provided directly to states through the existing core formula programs and avoid incorporating untested new programs and discretionary grants that tend to add both uncertainty and additional costs to project sponsors.

To assist in enacting the next surface transportation authorization, we appreciate your consideration of [AASHTO's recommended policies](#) adopted by our Board of Directors last October, including our Core Policy Principles:

Ensure timely reauthorization of a long-term federal surface transportation bill.

- Funding stability provided by federal transportation programs is absolutely crucial to meet states' capital investment needs, which take multiple years to plan and construct.
- A long-term transportation bill is needed in order to avoid an authorization gap upon FAST Act expiration in September 2020. Short-term program extensions cause unnecessary program disruptions and delays safety and mobility benefits to states and communities.

Increase and prioritize formula-based federal funding provided to states.

- The current federal highway program optimally balances national goals with state and local decision making.
- Formula-based transportation funding reflects the successful federal-state partnership by ensuring the flexibility necessary for each state to best meet its unique investment needs.
- Congress should increase the formula-based program's share of the Federal-aid Highway Program from 92 percent currently in the FAST Act.

Increase flexibility, reduce program burdens, and improve project delivery.

- Increase programmatic and funding flexibility to plan, design, construct and operate the surface transportation system.
- Reduce regulatory and programmatic burdens associated with federal programs that are not part of the project approval process.
- Modernize Clean Water Act, Clean Air Act, and Endangered Species Act processes to improve transportation and environmental outcomes and reduce delays.
- To streamline and improve project delivery, states should be provided with opportunities to assume more federal responsibilities and the associated accountability.

Support and ensure state DOT's ability to harness innovation and technology.

- Innovative approaches and technologies should be embraced to achieve a safer and more resilient, efficient and secure surface transportation system.
- State DOTs, as infrastructure owners and operators, need the 5.9 GHz spectrum for transportation safety and connected vehicle deployment purposes.
- Preserve state and local government authority to regulate operational safety of autonomous vehicles.
- Preserve state and local government authority to responsibly manage data collected from transportation technologies.

CONCLUSION

State DOTs remain committed to assisting Congress in providing the necessary multiyear economic recovery platform through robust transportation investment. We commend the Committee's tireless leadership on timely reauthorization of surface transportation legislation and we look forward to further strengthening the federal government's highly successful partnership with state DOTs in the months and years ahead to lead our nation's economic recovery and growth.