

AMERICAN ASSOCIATION  
OF STATE HIGHWAY AND  
TRANSPORTATION OFFICIALS

**AASHTO**

TESTIMONY OF

**Victoria F. Sheehan**

President, American Association of State Highway  
and Transportation Officials

Commissioner, New Hampshire Department of Transportation

REGARDING

**Building Back Better: Investing in Transportation while Addressing  
Climate Change, Improving Equity, and Fostering Economic  
Growth and Innovation**

BEFORE THE

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

ON

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American Association of State Highway and Transportation Officials  
555 12<sup>th</sup> St NW, Suite 1000  
Washington, D.C., 20004  
202-624-5800  
www.transportation.org  
[info@ashto.org](mailto:info@ashto.org)

## INTRODUCTION

Chairman Carper, Ranking Member Capito, and Members of the Committee, thank you for the opportunity to appear today and speak to the critical need for timely reauthorization of the federal surface transportation legislation, as well as the importance of infrastructure investment as part of an economic recovery package.

My name is Victoria Sheehan, and I serve as Commissioner of the New Hampshire Department of Transportation (NHDOT) and as President of the American Association of State Highway and Transportation Officials (AASHTO). Today, it is my honor to testify on behalf of the Granite State and AASHTO, which represents the state departments of transportation (state DOTs) of all 50 states, Washington, DC, and Puerto Rico.

First, allow me to express the state DOTs' collective and utmost appreciation for you—the members of the Environment and Public Works (EPW) Committee. Your leadership on several important issues affecting state DOTs must be commended: the repeal of the \$7.6 billion rescission of highway contract authority in 2019; the extension of surface transportation programs through fiscal year 2021, while providing the funds needed to shore up the federal Highway Trust Fund during that period last fall; the \$10 billion in COVID-19 relief funding for state DOTs to help replace lost revenue in December; and just as important, your firm commitment to getting the federal surface transportation bill done on time and possibly providing infrastructure funding as part of a future economic stimulus and recovery package.

As part of your efforts to reauthorize the federal surface transportation bill and to consider economic stimulus and recovery funding, AASHTO and its member state DOTs welcome the opportunity to discuss the importance of both at today's hearing.

At the outset, I'm proud to share the overarching policy vision for AASHTO, as laid out in our new 2021-2026 Strategic Plan. In it, we are calling for providing improved quality of life through leadership in transportation—and a key goal is Safety, Mobility, and Access for Everyone which we look to achieve through the following objectives:

- Advance a safe, multimodal transportation system
- Connect community, economy, land use and the environment
- Advance equity and social justice
- Improve asset performance
- Strengthen resiliency
- Align transportation interests across partners and regions

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With this in mind, I would like to emphasize the following issues as part of my testimony today:

- The importance of a timely reauthorization of federal surface transportation programs;
- The tangible economic benefits of investing in highway transportation and other infrastructure—both as part of the reauthorization effort and as part of any investment in the recovery from the current pandemic; and
- The surface transportation reauthorization policy priorities of AASHTO’s state DOT members.

## **THE IMPORTANCE OF A TIMELY REAUTHORIZATION OF FEDERAL SURFACE TRANSPORTATION PROGRAMS**

The COVID-19 pandemic has impacted all of our lives—the way we work, where we work, and how we travel. State DOTs have had to work hard to adjust to these changing conditions.

As critical infrastructure workers, our primary focus was on keeping our state DOT staff and contractors safe. Many of our engineers and administrative staff pivoted to full-time telework, while state DOTs partnered with the construction industry and other stakeholders to develop protocols that would reduce the spread of COVID-19, allowing our construction programs to continue. While some states did have to shut down their construction programs for short periods, in other states steps were taken to advance projects and take advantage of lower traffic volumes. As an example, in New Hampshire we had several projects that were planned to be completed in multiple phases, with single lane closures in each phase. With lighter traffic additional lanes could be closed at one time, allowing the work to proceed more efficiently and shortening the overall duration of construction.

The reduction in traffic volumes does, however, translate to a reduction in revenue. The \$10 billion in COVID-19 relief funding that Congress provided to state DOTs late last year has helped stabilize state DOT budgets. But another important way that Congress can further help is by reauthorizing surface transportation programs prior to the expiration of the current extension on September 30.

States like New Hampshire rely especially heavily upon the federal surface transportation program in order to enable the necessary infrastructure investments for our citizens. And a stable federal surface transportation program has become even more crucial as New Hampshire deals with the continued loss of state revenue due to the impacts of the pandemic on our state. Any delay—or even worse, a series of short-term extensions—would wreak havoc across the country and would impact not just state DOTs, but our partners such as local governments and the construction industry.

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So AASHTO and its members stand ready to assist this Committee and others in Congress to successfully complete the reauthorization of a multi-year surface transportation on-time and with robust funding.

## **THE TANGIBLE ECONOMIC BENEFITS OF INVESTING IN TRANSPORTATION INFRASTRUCTURE**

### **Surface Transportation Reauthorization**

For many years, Congress has struggled with how to address the insolvency of the federal Highway Trust Fund (HTF). Since 2008, Congress has had to transfer over \$150 billion from the General Fund of the Treasury to the Highway Trust Fund in order to maintain funding levels. While AASHTO is very grateful for Congress's unwillingness to reduce surface transportation investments, we recognize the General Fund transfers do not provide the long-term solution needed to stabilize these important programs.

We know that substantial and recurring funding challenges have caused the investment backlog for transportation infrastructure to increase—reaching \$836 billion for highways and bridges and \$122 billion for transit according to the United States Department of Transportation.

According to recently released baseline projections from the Congressional Budget Office, in order to simply maintain the current Highway Trust Fund (HTF) spending levels adjusted for inflation after the current extension of the Fixing America's Surface Transportation (FAST) Act, Congress will need to identify \$74.8 billion in additional revenues for a five-year bill through 2026; \$97.2 billion would be needed to support a six-year bill through 2027 for both the highway and transit accounts. At the same time, the purchasing power of HTF revenues has declined substantially mainly due to the flat, per-gallon motor fuel taxes that have not been adjusted since 1993, losing over half of its value in the last 28 years.

As you know, every state is required to have a Statewide Transportation Improvement Program, which identifies funded priorities for the next four years. In order to do this, every state must make assumptions about what might happen to federal funding when the programs expire on September 30<sup>th</sup>. Any shortfall or delay in federal funding will lead to serious cash flow problems for states and local governments. A lack of stable, predictable funding from the HTF makes it nearly impossible for state DOTs to effectively plan – and this is especially true for large projects that need a reliable flow of funding over multiple years. Projects that state DOTs undertake connect people, enhance the quality of life for our citizens, and just as important, they stimulate economic growth in each community where they are built.

The NHDOT recently completed the reconstruction of Interstate 93 from Salem to Manchester. While this was a capacity improvement project—which has led to significant economic activity along the corridor—this project also reconfigured five interchanges to improve safety. Additionally, there was work performed on 45 bridges and culverts, 20 of which were structurally deficient, with numerous others in need of rehabilitation or preservation.

This southern New Hampshire project is located in a more urban region of the state; however, to fund the final phases of this \$800 million project, NHDOT pursued a Transportation Infrastructure Finance Innovation Act (TIFIA) loan, backed by a state gas tax increase. The TIFIA loan is structured so that New Hampshire is paying interest only for the first ten years of the 20-year loan, allowing us to pledge the additional new revenue collected to rural paving and bridge work. Using state revenue and a federal loan for the completion of this major project enables us to direct regular federal apportionment to work across New Hampshire, but specifically to rural areas.

NHDOT advances a wide variety of projects in rural areas with federal funds. From the resurfacing of US Route 2 and NH Route 16 in rural communities like Gorham, Cambridge, and Errol, to making safety improvements at the intersection of Routes 16 and 41 in Ossipee. We also fund a significant number of bridge preservation, bridge replacement, and resiliency projects with federal dollars. The Lancaster-Guildhall bridge replacement project replaced a structurally deficient and functionally obsolete bridge over the Connecticut River into Vermont. This is a critical crossing located along a significant freight corridor.

A recent project in Errol repaired a failed slope along the Magalloway River, an area that has experienced several severe storms, causing erosion of the river bank, which left the roadway vulnerable to being undermined during future events.

Many of these projects are located on vital north-south and east-west corridors, which carry a high percentage of truck traffic, as well as vacation traffic travelling to and from the White Mountains. If these improvements were not made, down posting of bridges or closures during future extreme weather may have been necessary, leading to lengthy detours and significant impacts on individuals, communities, and commerce.

### **Economic Stimulus and Recovery**

Fortunately, infrastructure investment is again one of the top national policy agenda items the last few years, even if significant action is yet to be taken. This year is no different, with Congress and the Biden Administration discussing potential economic stimulus and recovery legislation that would include infrastructure investments.

Investments in highway and transit projects are a critical component of a federal economic recovery package, as benefits go well beyond short-term construction jobs created.

The Federal Highway Administration (FHWA) estimates that each dollar spent on road, highway and bridge improvements results in an average benefit of \$5.20 in the form of reduced vehicle maintenance costs, reduced delays, reduced fuel consumption, improved safety, reduced road and bridge maintenance costs, and reduced emissions as a result of improved traffic flow. Perhaps most importantly, according to an FHWA study, \$100 million spent on highway safety improvements will save 145 lives over a ten-year period.

Another significant project that NHDOT is advancing is the construction of a new interchange, Exit 4A on Interstate 93 in Londonderry. The cost avoidance due to travel time savings for commuters is estimated at \$890,000 annually when this project is complete. Additionally, the project will allow for the development of land adjacent to the interchange, which is expected to lead to \$134 million in economic activity. The development planned in this area is mixed use, with office, retail and residential units, a place to live, work and play.

A well-performing transportation network allows American families to benefit both as consumers from lower priced goods and as workers by gaining better access to jobs; and also allows businesses to manage inventories and move goods more cheaply and get employees reliably to work.

During the pandemic, a majority of states classified the transportation industry and its workers as essential. This designation demonstrates the important role of state DOTs in sustaining jobs, including in the private sector.

As Congress considers providing additional financial support to stimulate the economy and to recover from the effects of the COVID-19 pandemic, AASHTO would make the following recommendations as it relates to surface transportation investments:

- Provide funding through existing highway and transit formulas as the recommended distribution mechanism, as the existing formulas:
  - Provide economic recovery funding in the quickest, most efficient manner;
  - Are understood by state DOTs and public transportation agencies, and;
  - Provide funding to every state and every public transportation agency.

It is also important that Congress:

- Not attach unrealistic timelines related to the obligation of economic recovery funding, nor should such funding come with additional federal requirements that delay obligation and expenditure of funds;

- Focus on programs and projects that generate the most benefits through the entire lifecycle of the asset, rather than mandating short spending deadlines which will lead to less efficient use of taxpayer dollars due to project sponsors' inability to address longer-term needs, and;
- Provide highway and transit economic recovery funding at a 100 percent federal share in recognition of the ongoing revenue losses being experienced by state DOTs and public transportation agencies.

The COVID-19 pandemic has been devastating to so many of our citizens, our businesses and our communities. Given these impacts, we now have an opportunity to restore the economic vitality that makes America a nation we are proud to call home. To do this, the situation demands bold action to invest in our transportation infrastructure in order to rebuild our economy, while also making long-lasting improvements to the transportation systems that we rely upon every day.

### **The Surface Transportation Reauthorization Policy Priorities of AASHTO's State DOT Members**

State DOTs are truly multimodal. They build, operate and maintain a world class highway system, invest in public transportation, fund intercity passenger rail and support airports, short line railroads and harbors. Because of this, AASHTO and its state DOT members play an important role in the surface transportation reauthorization process.

AASHTO strongly supported the policies and goals of this Committee's reauthorization proposal in 2019—America's Surface Transportation Infrastructure Act or ATIA. This multiyear legislation increased surface transportation program funding levels, maintained the use of formulas to apportion the majority of these funds and recognized the importance of emerging policy areas such as reducing greenhouse gas emissions, addressing climate change and infrastructure resiliency and refraining from adding burdensome requirements on state DOTs. ATIA was a well-balanced and a unanimously bipartisan bill that AASHTO was proud to support and we are grateful that it will serve as the starting point for the Committee's work on reauthorization legislation this year.

As the Committee works on its new proposal, I want to make you aware of AASHTO's core reauthorization principles:

- Timely reauthorization of a long-term bill to prevent unnecessary program disruptions and delays in safety and mobility benefits to states and communities;
- Enact a long-term, sustainable revenue solution to the Highway Trust Fund to provide multiyear federal funding stability to support state transportation investment needs;
- Increase and prioritize formula-based funding to the states, which optimally balances national goals with state and local decision making;
- Increase flexibility, reduce program burdens, and improve project delivery to speed up delivery of transportation investments while protecting the environment and lowering project costs, and;

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- Support and ensure state DOTs ability to harness innovation and technology to achieve a safer and more resilient, efficient, and secure surface transportation system.

AASHTO members are also working on emerging policy areas including:

- Performance and asset management to maximize system-wide efficiency and lifecycle by building upon the MAP-21 performance measures;
- Infrastructure resiliency and emergency relief that utilizes an all-hazards approach to enable flexible solutions for construction, reconstruction, restoration, rehabilitation, and preservation;
- Carbon reduction including electric vehicle charging infrastructure that expands low-carbon travel options and focuses on reduction of tailpipe emissions, and;
- Broadband and other technology deployment in the highway right-of-way that enables highest and best use of a critical transportation resource owned and operated by state DOTs.

## CONCLUSION

State DOTs are absolutely dedicated to supporting Congress in the development of strategies to ensure full economic recovery and growth, and enhancing quality of life through robust investments in transportation programs and projects.

This week, hundreds of state DOT leaders from all corners of are gathering virtually at AASHTO's 2021 Washington Briefing. While we won't be able to visit with you in person like we normally do, AASHTO and the state DOTs will continue advocating for the reaffirmation of a strong federal-state partnership to address our surface transportation investment needs.

Thank you again for the honor and opportunity to testify today, and I am happy to answer any questions.