Joint Hearing of the

Senate Environment and Public Works Committee

and House Transportation and Infrastructure Committee

Senator Barbara Boxer and Representative John L. Mica

February 23, 2011,

Los Angeles, CA

Good morning Senator Boxer, Representative Mica, members of the joint committees and other distinguished guests. I'm Cindy McKim, Director of the California Department of Transportation. I appreciate the opportunity to speak to you today on behalf of Governor Jerry Brown and the citizens of California.

I want to provide you with a clear sense of the transportation issues facing this state – the most populous in the nation and the eighth largest economy in the world.

Our economy depends heavily upon a complete, efficient transportation system; it carries the goods, people and services that, in turn, power California – and America's – prosperity. Transportation's importance in this state and to the rest of the nation cannot be over-stated.

California has invested heavily at the state and local level in a transportation system that is responsible for benefits that ripple throughout the economies of every other state in the nation. More than 40 percent of containers moving into and out of America use California's highways, railroads, ports, and airports. With 12 percent of the nation's population, California is responsible for almost 14 percent of the nation's Gross Domestic Product.

However, California cannot do it alone. We urge Congress to enact visionary legislation, with a bold funding plan that meets today's challenges. We all know the Highway Trust Fund isn't keeping up with needs. In addition, the National Surface Transportation Policy and Revenue Study Commission has reported that the nation faces a $140 billion annual investment shortfall with regard to maintaining existing transportation assets and expanding our road and transit systems to handle future growth. If we want a viable transportation system, we are going to have to invest strategically, streamline project delivery, and reward efficiency.

Reauthorization needs to ensure the financial integrity of the Highway and Transit Trust Funds. The financial integrity of the transportation trust fund is at a crossroads. Current user fees are not keeping pace with needs or even the authorized levels in current law. The current revenue stream will not provide the revenue or stability needed, especially as new fuels enter the marketplace. This authorization will need to stabilize revenues and prepare the way for the transition to new methods of funding our nation's transportation infrastructure, such as the flexibility to use creative financing tools. We appreciate Senator Boxer's work to strengthen and expand the TIFIA program.

We need to rebuild and maintain our transportation infrastructure in a good state of repair. Conditions on California's (and the nation's) surface transportation systems are deteriorating while demand is increasing. This is adversely affecting the operational efficiency of our key transportation assets, hindering mobility, commerce, quality of life and the environment.

Our economic health demands that we establish goods movement as a national economic priority. Interstate commerce is the historic cornerstone defining the federal role in transportation. The efficient movement of goods across state and international boundaries increases the nation's ability to remain globally competitive and generate jobs. You can help by creating a new federal program and funding sources dedicated to relieving growing congestion at America's global gateways. This congestion is acting as a trade barrier and creating environmental hot spots.

Our urban areas deserve enhanced mobility through congestion relief within and between metropolitan areas. California is home to six of the 25 most congested metropolitan areas in the nation. These mega-regions represent a large majority of the population affected by travel delay and exposure to air pollutants. We ask that you increase funding for enhanced capacity for all modes aimed at reducing congestion and promoting mobility in the most congested areas.

The next authorization has the opportunity to streamline project delivery. We appreciate Chairman Mica's commitment to speeding up the time it takes to deliver federal projects. Extended processing time for environmental clearances, federal permits and reviews, etc., add to the cost of projects and delay needed mobility improvements for the traveling public. Given constrained resources, it is all the more critical that these clearances and reviews be kept to the minimum possible, consistent with good stewardship of natural resources.

I'd like to point out that California was the only state to fully implement the National Environmental Policy Act (NEPA) delegation pilot program contained in SAFETEA-LU, which California began using in 2007. Through this program, Caltrans has assumed most federal responsibilities for environmental documents and now completes routine NEPA documents about 14 months earlier than before. Overall project delivery timeframes have improved as well. California recommends that this successful pilot be made permanent.

California is working to develop programmatic advance mitigation for natural resource impacts. The next authorization can facilitate this innovative strategy by allowing greater flexibility to do advanced mitigation based on mutually approved modeling.

You can consolidate federal programs to improve efficiency and provide flexibility. The Administration's surface reauthorization proposal suggests consolidating 55 highway programs into five "core programs", along with other program consolidations in other areas. If this includes giving the states flexibility in making funding decisions that are appropriate for them, it is a good start to providing the flexibility we need.

We are looking for a continued, stable, and reliable long-term investment strategy from Washington that can support the transportation infrastructure necessary to continue our nation's economic supremacy. No other action by Congress could serve transportation as well, create as many jobs, or build badly needed infrastructure as effectively as that action.

To reiterate, the reauthorization should include provisions to:

- Ensure the financial integrity of the Highway and Transit Trust Funds.
- Rebuild and maintain our transportation infrastructure.
- Make goods movement a national priority.
- Reduce congestion in metropolitan areas.
- Streamline project delivery and extend California's NEPA delegation.
- Consolidate federal programs

We will continue working with our federal partners at FHWA, as well as our local transportation partners to meet California's transportation needs. These partnerships have been critical to our success.

I'm grateful for the time you have given me, and I look forward to working with you in the future. And now, if you have any questions or comments, I would be glad to hear them.