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Introduction

Chairman Boxer, Ranking Member Inhofe, and Members of the Committee, I am honored to have this opportunity to present the views of the American Highway Users Alliance (The Highway Users) on the recommendations of the National Surface Transportation Policy and Revenue Commission.

About The Highway Users

The Highway Users is an umbrella group representing 270 national and state associations and businesses of all sizes, including AAA clubs, bus and truck companies, motorcyclists and recreational vehicle users, and diverse companies whose bottom lines depend on a safe, efficient, and reliable network of highways. Our members represent millions of highway users throughout the country and we serve as their united voice for better roads and fair taxation.

For over 75 years, The Highway Users has been an outspoken stakeholder on every federal highway and surface transportation bill, including the historic Federal-Aid Highway Act of 1956, which authorized the Interstate Highway System and created the Highway Trust Fund, and the 1991 Intermodal Surface Transportation Efficiency Act (ISTEA), which established the "TEA" programmatic structure largely still in place.

Creating the Commission

We owe this Committee a great debt of gratitude for having the foresight during early drafting of SAFETEA-LU to recognize that an independent Commission would be helpful in identifying areas for future policy reform. The Committee also recognized that the current revenue and spending levels would be unsustainable beyond 2009. Just as the 1955 Clay Commission's policy and revenue recommendations helped pave the way for the Interstate highway program and develop the public's trust in a "Highway Trust Fund" for construction, we believe the current Commission's recommendations will be of great value to you and the American people as you craft a fundamentally different, better transportation bill than the previous three "TEA" bills.

A Report Worthy of Serious Consideration

We commend and thank the commissioners for volunteering two years of their time to this effort and for developing recommendations worthy of serious consideration. The report begins with a clarion call to action and an urgent warning of the consequences of failure to act. The commissioners were united that the highway and transit programs should not be reauthorized in their current form. The Highway Users agrees with this fundamental call for bold change. We also agree with the commission that the United States should build the preeminent surface transportation program in the world.

We are pleased that the commission accepted so many of the recommendations made by The Highway Users. These included solid support for project streamlining; a special focus on relieving freight and commuter bottlenecks; and the development of an outcome-oriented, performance-based program that identifies national needs, such as congestion relief and reduction in highway fatalities.

The Highway Users Supports a Strong Federal Role

The Highway Users reviewed the recommendations of both the majority and minority of commissioners. Fundamentally, our views are more closely aligned with the majority than the minority. A critical distinction between the two views is the role of the federal government in future transportation programs. We agree with the majority that Congress should authorize a strong, focused federal program designed to meet national safety and mobility objectives. It is our view that a shrinking federal role would seriously damage the integrity of the National Highway System, create dangerous imbalances in road and bridge quality from state-to-state, and severely impact the future flow of commerce.

Tolling and Public-Private Partnerships: Protect the Public Interest

Another major difference between the majority and minority views is the role of tolling and public-private partnerships (PPPs). Again, our views are closer to those of the majority. We believe that tolling and PPPs have a role to play in construction of new lanes, roads, and bridges and we would welcome private investment in new construction. We support the construction of new toll express lanes alongside existing toll-free highways or the conversion of under-utilized HOV lanes to HOT lanes. However, consumer protections are critical to ensure that toll roads do not create barriers to commerce, unfairly target interstate traffic as a tool to boost state revenue, create safety problems on parallel routes, fund non-highway programs, contain non-compete clauses designed to prevent public road improvements, or be used as a social-engineering program to regressively price certain drivers off the road. The Highway Users opposes imposition of tolls or congestion pricing on any existing, untolled Interstate Highway lanes and we urge the Committee to maintain its longstanding opposition to tolling the Interstates.

The Highway Users Endorses Unanimous Call to Speed Up Project Delivery

One area of unanimity among commissioners is the call for speeding up project deliveries. The delays associated with the use of federal funds contribute to skyrocketing project and social costs. We commend the commission for focusing attention on the need to improve processes. Currently, the average major project requires 13 years to advance. Every 10 years of delay doubles project costs. Numerous opportunities abound for project opponents to add years of delay to a highway or transit project by demanding further studies and analysis of new alternatives. Congress should take action to limit debate, so that project opponents cannot filibuster project approvals. For congestion-relief projects in major urban areas, the social costs of project delays can reach into the billions of dollars. We endorse the recommendations of the commission to speed project delivery and also recommend that the 5-state pilot program authorized under section 6005 of SAFETEA-LU be authorized for all states and that Executive Order 13274, which authorizes the Secretary to select projects of national significance for priority reviews, be codified into law. We ask that Congress take special care not to add new planning or project review requirements that would further slow the environmental approval process.

Advance the Federal Interest by Reducing and Prioritizing Programs

The commission identified 108 federal programs funded by the Department of Transportation. Although we do not endorse the 10 specific programs identified by the Commission, we agree that a small number of performance-based, outcome-driven programs should replace the current "pots of money" and are needed to advance a clearly defined federal surface transportation program. We believe the current lack of focus and lack of national priorities greatly reduces public support for funding federal transportation programs. The sheer number of current programs helps to explain why few people can actually identify a clear purpose or vision for today's federal highway and transit programs. To create trust with the taxpayers, it is time for all projects to compete fairly in meeting quantifiable national safety and mobility objectives.

We also support the commission's recommendation that, under the new programs, States submit their program plans and cost estimates, to be consolidated into a national strategic plan that clearly identifies a logical federal investment. Such a process should not slow environmental or other bureaucratic approvals for individual projects.

Without commenting on the specifics of each program, The Highway Users is generally supportive of federal programs designed to manage assets on the National Highway System, improve freight mobility, provide congestion and bottleneck relief, sharply reduce the loss of life through roadway safety projects, provide rural connectivity on the National Highway System, support highways under federal ownership, and focus the research and development program.

We look forward to working with the Committee to further refine eligible programs and establish performance-based standards that allow reasonable State flexibility for prioritizing spending in each category.

The Highway Users Objects to "Stove-Pipe" Rail-Only Funding

The Highway Users is surprised that the Commission endorsed the creation of an intercity rail program despite the careful efforts to make the rest of the recommendations mode-neutral. Such a proposal eliminates competition to rail from cost effective bus rapid transit without any compelling case for doing so. It is in the taxpayer's interest that rubber-tire transit should be given the opportunity to compete with rail.

Of course, highway-based projects are generally well-suited to compete with rail in achieving national safety, mobility, and freight goals that are fairly tested for benefits and costs. Highways are the only mode with consistent, negative net federal subsidies. They also generally provide superior speeds, accessibility, flexibility, and offer people unparalleled control over their lives. Highway mobility provides the shortest path for those transitioning from welfare-to-work and provides the most opportunities for consumers to shop, recreate, or conduct personal and family business. Particularly when highway users finance the vast majority of the surface transportation program, it is simply unfair to create barriers to prevent highway projects from competing with rail projects.

Having failed to attain operating self-sufficiency, Amtrak is annually funded with general funds. Some have proposed that motorists should fund Amtrak with a portion of the fuel tax. Under any feasible highway fuel tax rate, a diversion of funds for Amtrak would be a major drain on an already stressed and overwhelmed highway program. Competing private intercity bus and van operations require little or no federal funding with route flexibility not possible on railroad tracks. There's no reason that the intercity buses should subsidize their rail competitors through a diversion of their diesel taxes. The Highway Users would strongly object to any proposal that subsidizes Amtrak with highway user fees.

For this reason, we strongly object to the creation of a new rail-only, intercity passenger program and ask that the Committee allow highway projects to compete fairly for all of the programs authorized based on quantifiable benefits and costs.

Support for State and Metropolitan Performance and Accountability Standards

The Highway Users strongly supports the Commission's recommendations to develop national performance standards for competing States and metropolitan areas. States and metropolitan areas should receive a federal funding bonus for outcomes that serve the national interest. Such a program could encourage innovation in safety, congestion relief, freight mobility, pavement and bridge quality, construction schedules, project cost-savings, etc. For example, States that are successful in reducing traffic fatalities on course to halve them by 2025 should receive a funding bonus. For congestion relief and freight mobility, we will officially propose a performance-based congestion relief program dedicated to the National Highway System later this year.

Funding

Short Term

We endorse the commission's call to avert an immediate shortfall in the highway account of the Highway Trust Fund. Finance Committee Chairman Max Baucus and Ranking Member Charles Grassley have already developed legislative language to keep the Highway Trust Fund solvent through the end of fiscal year 2009. This legislative language is included in multiple tax bills.

Medium Term

The Highway Users supports the Commission's recommendation to increase fuel taxes provided that programmatic reforms we support are in place. Such reforms would include the establishment of strong national priorities for the Highway Trust Fund. The increase should be below or at the low end of the range recommended by the Commission.

Although politically difficult at this time, The Highway Users is confident that strong public support could be generated by the end of 2009 for increasing highway user and other user fees. It is absolutely critical, however, that the public be fully aware of the reforms made to the program before support will be forthcoming. Our view is that the key to public support for the federal program is to "Put the Trust Back into the Highway Trust Fund." Congress can do so by prioritizing projects with the most benefits for the most taxpayers, reducing waste and diversion, and ensuring that earmarks are well-vetted and defensible under the reformed program.

If Congress adopts carbon taxes, the Highway Trust Fund should be funded by an amount equal to the carbon tax on highway fuel. Under a cap-and-trade plan, the Highway Trust Fund should be compensated for an amount equivalent to the increased cost of fuel due to regulation. These carbon funds should be dedicated to congestion relief programs, such as bottleneck removal or traffic signal synchronization. By 2028, as much as 390 million tons of carbon dioxide can be removed from the atmosphere by improving traffic flows at our nation's worst bottlenecks.

The Highway Users strongly supports the recommendation to add new non-highway user fees. In particular, we applaud the commission for its recommendation to add a ticket tax for federally-funded rail and bus transit, similar to the ticket tax paid by airline passengers. It is important that new sources of user fees help make transit programs more self-sustaining and reduce highway users' transit subsidies, because highway needs alone are overwhelming. It is likely that highway user fees will remain the dominant funding source for the surface transportation program and thus the trust fund should retain the name "Highway Trust Fund."

Long-Term

The Highway Users is studying long-term recommendations, including the establishment of a VMT fee. It would be critical to our members that such a fee is fairly devised, does not result in disproportionate user fee increases for different vehicle classes, and protects privacy.

Keep DOT Organized by Modal Administrations

For decades, The Highway Users has worked closely with the DOT Secretary's office, modal administrators, and the professional staff of the various FHWA, NHTSA, FMCSA, FTA, and FRA offices. Our view is that there is little value and large costs associated with restructuring the U.S. Department of Transportation's modal administrations. Because the operations and research that apply to each of the modes do not easily transfer across modes, we recommend that each administration be retained and the expense and confusion of a costly reorganization be avoided. Currently, some modal administrations are funded with Highway Trust Funds and others are funded with General Funds. We recommend that all future administrative expenses for all DOT agencies be funded out of the General Fund.

Conclusions

The Highway Users applauds the National Transportation Policy and Revenue Commission for its comprehensive report, *Transportation for Tomorrow*. While we do not endorse all of the recommendations, we believe this report provides a great starting point to consider reforming the current highway and transit programs.

The American Highway Users Alliance looks forward to working with the Senate Committee on Environment and Public Works on the 2009 surface transportation authorization bill. Unlike recent highway bills, the 2009 bill most be authorized on-time to restore public trust in the federal surface transportation program, prevent bankruptcy of the Highway Trust Fund, and avert dramatic reductions in surface transportation funding.