RECOVERY ACT: 120-DAY PROGRESS REPORT FOR TRANSPORTATION PROGRAMS

(111–45)

HEARING

BEFORE THE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE HOUSE OF REPRESENTATIVES

ONE HUNDRED ELEVENTH CONGRESS

FIRST SESSION

JUNE 25, 2009

Printed for the use of the
Committee on Transportation and Infrastructure

U.S. GOVERNMENT PRINTING OFFICE

50–765 PDF WASHINGTON : 2009

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512–1800; DC area (202) 512–1800
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CONTENTS

ADDITIONS TO THE RECORD

U.S. House of Representatives
Committee on Transportation and Infrastructure
Washington, DC 20515

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June 23, 2009

SUMMARY OF SUBJECT MATTER

TO: Members of the Committee on Transportation and Infrastructure

FROM: Committee on Transportation and Infrastructure Staff

SUBJECT: Hearing on "Recovery Act: 120-Day Progress Report for Transportation Programs"

PURPOSE OF HEARING

The Committee on Transportation and Infrastructure will meet on Thursday, June 25, 2009, at 11:00 a.m., in room 2167 of the Rayburn House Office Building to examine progress to date on implementing the American Recovery and Reinvestment Act (P.L. 111-5) (Recovery Act). The hearing will address implementation efforts in transportations programs under the Committee's jurisdiction, including highways, bridges, public transportation, rail, and aviation.

BACKGROUND

State of the Economy

According to the Bureau of Labor Statistics (BLS), as of May 2009,[1] there were 14.5 million unemployed persons in the United States, for all sectors of the economy combined. In addition, when part-time and discouraged workers who want full-time jobs are included, the number of unemployed/under-employed workers increases to 25.8 million.

The unemployment rate in May 2009 was 9.4 percent – the highest it has been in 25 years. When part-time and discouraged workers who want full-time jobs are included, the unemployment rate was 16.4 percent.

The National Bureau of Economic Research has determined that the current recession

[1] The latest month for which data is available.

began in December 2007. At 18 months and counting, the current recession has lasted longer than any recession since the Great Depression. From the start of the recession in December 2007 through May 2009, the number of unemployed persons has increased by seven million.

The construction sector has been particularly hard-hit. It has lost 1,220,000 jobs since the recession began in December 2007. The unemployment rate in construction was 19.2 percent in May 2009 – up 10.6 points since May 2008. This is the highest unemployment rate of any industrial sector. As of May 2009, there were 1,768,000 unemployed construction workers in the nation – that is 959,000 more unemployed construction workers than in May 2008, and 1,092,000 more than in May 2007.

Within the overall construction sector, seasonally adjusted employment in heavy and civil engineering construction[2] has fallen by 120,100 since the recession began in December 2007. Heavy and civil engineering construction employment is now the lowest it has been since October 1998.

Moreover, after workers have lost their jobs, they have had more trouble finding new jobs. As of May 2009, the average length of unemployment was 22.5 weeks, compared to 16.5 weeks in December 2007 at the start of the recession. The number of workers who have been unemployed for longer than six months was 3.9 million, compared to 1.3 million in December 2007. One-half of the unemployed have been out of work for more than 14.9 weeks, and more than one in four has been out of work for more than six months.

With this urgent need for jobs as the backdrop, Federal agencies, State and local governments along with business are working together to implement the Recovery Act, to create and sustain family-wage jobs now and, at the same time, address the nation's long-term transportation investment needs.

[2] This term includes highway, street, and bridge construction; utility system construction; land subdivision construction; and other heavy and civil engineering construction.

<u>Recovery Act</u>

On February 17, 2009, the Recovery Act was signed into law. The Act provides $48.1 billion of transportation investment for programs within the jurisdiction of the Committee on Transportation and Infrastructure, including:

- $27.5 billion for highways and bridges;
- $8.4 billion for transit;
- $9.3 billion for passenger rail;
- $1.5 billion for competitive surface transportation grants;
- $1.3 billion for aviation; and
- $100 million for small shipyard grants.

I. Implementation Highlights of Transportation Investment

As of June 15, 2009, the U.S. Department of Transportation (DOT) had announced $47.5 billion and obligated $17.5 billion in Recovery Act funding of a total $48.1 billion for projects provided under the Act.

<u>Highways and Bridges</u>

- Of the $27.5 billion provided for highways and bridges, 50 States, three Territories, and the District of Columbia have submitted to and received approval from the Federal Highway Administration (FHWA) for 4,366 projects totaling $14.4 billion, approximately 54 percent of the Recovery Act highway formula funds.[3]

- 43 States and the District of Columbia have already met the Recovery Act requirement that 50 percent of funds apportioned to the States be obligated within 120 days (June 30, 2009) of the date of apportionment.

<u>Transit</u>

- Of the $6.8 billion apportioned for the Transit Capital Assistance program, the Federal Transit Administration (FTA) has awarded 101 projects totaling $1.2 billion in 29 States and the Virgin Islands.

- Of the $750 million appropriated for the Fixed Guideway Infrastructure Investment program, FTA has awarded 11 grants worth $199 million in seven States and the District of Columbia.

- On May 11, 2009, FTA issued $742.5 million in New Starts grants for projects in the following nine states: Arizona, California, Colorado, New York, Oregon, Texas, Utah, Virginia, and Washington.

[3] In the Highway Infrastructure Investment program, the point of obligation occurs when FHWA approves a project that a State has already vetted and submitted to FHWA. After this approval, State Departments of Transportation proceed with solicitation of bids and/or award of contract.

Rail

- The Federal Railroad Administration (FRA) has approved 675 Amtrak capital improvement projects, totaling nearly $1.3 billion.

- On April 16, 2009, FRA announced its strategic plan for distributing $8 billion in high-speed rail and intercity passenger rail grant funds. On June 17, 2009, FRA issued interim guidance that describes the program's requirements and funding opportunities. Eligible applicants include States, groups of States, interstate compacts, and public agencies established by one or more States that may apply for capital improvements grant funding that benefits all types of intercity passenger rail.

Competitive Surface Transportation Grants

- On May 18, 2009, DOT published notice of $1.5 billion in funding availability and solicitation of applications seeking Transportation Investment Generating Economic Recovery (TIGER) Discretionary Grants. Applications are due by September 15, 2009.

Aviation

- The Federal Aviation Administration (FAA) has identified all but $5 million of the $1.1 billion in Recovery Act airport improvement funding for 325 projects, of which only 11 projects, totaling $18.9 million, still await Congressional notification. The FAA has obligated 100 airport improvement projects worth $330 million in 41 States and two Territories.[4]

- Of the $200 million apportioned for the Facilities and Equipment program, the FAA has obligated $48 million for 157 projects in 38 States.[5]

Small Shipyard Grants

- The Maritime Administration received 454 applications totaling $1.25 billion for its small shipyard grants program. The Administration plans to complete its review of all applications by mid-July 2009 and make awards by August 17, 2009.

For additional information, see the attached report entitled *The American Recovery and Reinvestment Act of 2009, Transportation and Infrastructure Provisions Implementation Status as of June 15, 2009.*

[4] In the Airport Improvement Program, the point of obligation occurs when the FAA awards a grant based on bids received. After grants are awarded, airport sponsors proceed to award contracts.
[5] In the Facilities and Equipment program, the point of obligation occurs when the FAA signs a contract for a facility improvement or equipment purchase.

II. Transparency and Accountability Information

State and Formula Program Data

On May 1, 2009, the Committee on Transportation and Infrastructure sent letters to States, Territories, the District of Columbia, Metropolitan Planning Organizations, and public transit agencies requesting updated information on their use of Recovery Act formula funds for highways, bridges, public transit, clean water, and other infrastructure projects under the Committee's jurisdiction.

According to these submissions, as of May 31, 2009, just 103 days after President Obama signed the Recovery Act:

- 4,098 highway and transit projects in all 50 States, three Territories, and the District of Columbia have been put out to bid, totaling nearly $16 billion;

- 47 States and the District of Columbia have signed contracts for 2,294 highway and transit projects worth $6.5 billion, an increase of more than 200 percent in the 30 days since the previous reporting deadline (April 30, 2009);

- Work has begun on 1,243 highway and transit projects in 47 States and the District of Columbia totaling $4.4 billion, an increase of over 225 percent in the past 30 days;

- These 1,243 highway and transit projects have created or sustained more than 21,000 direct, on-project jobs. According to DOT, "an example of a direct job is a worker employed to construct a facility or to maintain equipment on-site whose time is charged directly to the project;"[6] and

- These projects have also created or sustained thousands of indirect and induced jobs. According to DOT:

> An example of an indirect job is a worker who makes the steel or other construction materials used at the project site, or who manufactures a bus purchased by a transit authority using ARRA funds. These indirect jobs are not charged directly to the project but are embedded in materials costs. An example of an induced job is a fast food worker who sells lunches to your workers.[7]

For additional information by State and formula program, see the attached table entitled *T&I Committee Transparency and Accountability Information by State and Formula Funding under the American Recovery and Reinvestment Act of 2009 (P.L. 111-5) ("Recovery Act") Submissions Received by T&I Committee (Data Reported as of May 31, 2009).*

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[6] DOT TIGER, "Frequently Asked Questions" about Recipient Reporting: Section 1201(c) of the ARRA, https://arrareporting.dot.gov/FAQ.cfm#q16.
[7] *Id.*

Project Data

The Committee also requested that Federal agencies implementing programs receiving Recovery Act funds under the Committee's jurisdiction submit a specific list of announced Recovery Act projects, as of June 15, 2009.

According to DOT's submission, DOT has announced $47.5 billion of the total $48.1 billion provided under the Recovery Act. The Department has obligated 5,412 projects worth $17.5 billion. Within this total, State Departments of Transportation have obligated funds for 4,366 highway projects totaling $14.4 billion, approximately 54 percent of the total highway formula funds.[8]

To download a complete list of projects, please visit the Transparency and Accountability section of the Committee's website at: http://transportation.house.gov/, and click on "Transparency and Accountability Information by Project (Data Reported as of June 15, 2009)". The list may be searched by State, Congressional District, Federal agency, or program.

Future Reports

The Committee will require Federal agencies, States, Metropolitan Planning Organizations, public transit agencies, and other grant recipients to report regularly to the Committee regarding implementation of the Recovery Act.

[8] DOT has obligated the remaining $3.1 billion of the total amount obligated, $17.5 billion, for transit, rail, and aviation projects.

WITNESSES

PANEL I

The Honorable J. Randolph Babbitt
Administrator
Federal Aviation Administration

The Honorable Joseph C. Szabo
Administrator
Federal Railroad Administration

The Honorable Peter M. Rogoff
Administrator
Federal Transit Administration

Mr. Jeffrey F. Paniati
Acting Deputy Administrator
Federal Highway Administration

Mr. Joseph H. Boardman
President and CEO
Amtrak

PANEL II

The Honorable Larry L. "Butch" Brown
Executive Director and Chief Administrative Officer
Mississippi Department of Transportation
representing the American Association of State Highway and Transportation Officials

Mr. Joseph M. Casey
General Manager
Southeastern Pennsylvania Transportation Authority
representing the American Public Transportation Association

Mr. Brad Penrod
Director and CEO
Allegheny County Airport Authority
representing the Airports Council International - North America

Mr. John Keating
President and Chief Operating Officer
Oldcastle Materials Group East
representing the American Road & Transportation Builders Association

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

The American Recovery and Reinvestment Act of 2009 Transportation and Infrastructure Provisions Implementation Status as of June 15, 2009

Prepared for

The Honorable James L. Oberstar
Chairman

By the Committee on Transportation and Infrastructure
Majority Staff

For Release on Delivery
June 23, 2009
10:00 a.m.

<u>THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009</u>
<u>TRANSPORTATION AND INFRASTRUCTURE COMMITTEE PROVISIONS</u>

<u>$64.1 BILLION FOR TRANSPORTATION AND INFRASTRUCTURE INVESTMENT</u>

- The American Recovery and Reinvestment Act of 2009 (P.L. 111-5) ("Recovery Act") provides **<u>$64.1 billion</u>** of infrastructure investment to enhance the safety, security, and efficiency of our highway, transit, rail, aviation, environmental, flood control, inland waterways, public buildings, and maritime transportation infrastructure.

- The $64.1 billion of Federal transportation and infrastructure investment will **<u>create or sustain more than 1.8 million jobs and $323 billion of economic activity</u>**.

- Specifically, **<u>the Recovery Act provides</u>**:

  - **Highways and Bridges: $27.5 billion**
    including Federal-aid Highway formula ($26.8 billion), Indian Reservation Roads ($310 million), National Park Roads ($170 million), Forest Roads ($60 million), Refuge Roads ($10 million), Ferry Boats and Ferry Terminal facilities ($60 million), On-the-Job Training ($20 million), and Disadvantaged Business Enterprise bonding assistance ($20 million)

  - **Transit: $8.4 billion**
    including Transit Urban and Rural formula ($6.8 billion), Transit Greenhouse Gas and Energy Reduction program ($100 million), Fixed Guideway Modernization formula ($750 million), and New Starts grants ($750 million)

  - **Rail: $9.3 billion**
    including High-speed Rail and Intercity Passenger Rail grants ($8 billion), Amtrak Capital grants ($850 million), and Amtrak Safety and Security grants ($450 million)

  - **Surface Transportation: $1.5 billion**
    including highway, bridge, public transit, intercity passenger rail, freight rail, and port infrastructure grants

  - **Aviation: $1.3 billion**
    including Airport Improvement Program ($1.1 billion) and Federal Aviation Administration Facilities and Equipment ($200 million)

TRANSPORTATION AND INFRASTRUCTURE INVESTMENT CONTINUED

- **Environmental Infrastructure: $5.26 billion**
  including Clean Water State Revolving Fund loans and grants ($4 billion), Superfund cleanups ($600 million), Brownfields grants ($100 million), Watershed and Flood Prevention Operations ($290 million), Watershed Rehabilitation Program ($50 million), and International Boundary and Water Commission ($220 million)

- **U.S. Army Corps of Engineers: $4.6 billion**
  including Construction ($2 billion), Operation and Maintenance ($2.075 billion), Mississippi Rivers and Tributaries ($375 million), Formerly Utilized Sites Remedial Action Program ($100 million), Investigations ($25 million), and Regulatory Program ($25 million)

- **Federal Buildings: $5.575 billion**
  including High-Performance Green Federal buildings ($4.5 billion), repair, alteration, and construction of Federal buildings and courthouses ($750 million) and border stations and land ports of entry ($300 million), and Smithsonian Institution ($25 million)

- **Economic Development Administration: $150 million**
  including Economic Adjustment grants ($50 million) and Regional Economic Development Commissions (up to $50 million)

- **Emergency Management: $210 million**
  including Firefighter Assistance grants to construct non-Federal fire stations ($210 million)

- **Coast Guard: $240 million**
  including Bridge Alterations ($142 million) and construction of shore facilities and aid-to-navigation facilities and repair of vessels ($98 million)

- **Maritime Administration: $100 million**
  including Small Shipyard grants ($100 million)

- The Recovery Act generally **requires these funds to be invested in ready-to-go projects.** Section 1602 of the Recovery Act requires States and other grant recipients to give preference to projects that can be started and completed expeditiously, including a goal of using at least 50 percent of the funds for projects that can be initiated not later than 120 days (June 17, 2009) after the date of enactment.[1] In addition, several transportation programs have specific deadlines to invest a percentage of the funds. For example, for Federal-aid Highway formula funds, 50 percent of state-administered funds must be obligated within 120 days (June 30, 2009) of the date of apportionment and all funds must be obligated within one year (March 2, 2010) of the date of apportionment. For transit formula grants, 50 percent of funds must be obligated within 180 days (September 1, 2009) of the date of apportionment and all funds must be obligated within one year (March 5, 2010) of the date of apportionment.

- The Recovery Act **creates green collar jobs and invests in projects that decrease our dependence on foreign oil and address global climate change.** It provides $4.5 billion for High-Performance Green Federal buildings to fund projects that incorporate energy and water conservation elements, such as installing photovoltaic roofs and geothermal technology. In addition, the Recovery Act provides a significant investment in public transit, high-speed rail, intercity rail, and Amtrak projects to provide alternatives to traveling by car, and help public transit and intercity passenger rail providers increase the percentage of their fleets that are alternative fuel vehicles. Finally, the Recovery Act directs that 20 percent of each State's Clean Water State Revolving Fund allotment be used for investments in energy and water efficient techniques and technologies (i.e., green infrastructure).

- The Recovery Act **requires the steel, iron, and manufactured goods for these projects to be produced in the United States.**[2]

- The Recovery Act **creates family-wage construction and manufacturing jobs.**[3]

- The Recovery Act **requires the Governor of each State to certify that:**
    - **the State will request and use funds provided by the Recovery Act and the funds will be used to create jobs and promote economic growth;**[4]
    - **the State will maintain its effort with regard to State funding for transportation projects;**[5] **and**

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[1] American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, § 1602 (2009).
[2] *Id.* § 1605.
[3] *Id.* § 1606. The Recovery Act requires all laborers and mechanics employed by contractors on projects funded by this Act to be paid prevailing wages. *Id.*
[4] *Id.* § 1607. The Governor shall make this certification within 45 days (April 3, 2009) of the date of enactment. If the Governor does not make such certification, the State legislature may accept the funds. *Id.*

- **the Governor accepts responsibility that the infrastructure investment is an appropriate use of taxpayer dollars.**[6]

➢ Finally, the Recovery Act **ensures transparency and accountability by including regular reporting requirements to track the use of the funds, State investments, and the estimated number of jobs created or sustained. This information will be publicly available through Recovery.gov.** Pursuant to section 1512 of the Act, States and other direct grant recipients will provide quarterly reports (beginning October 10, 2009) to the Federal agency that provided the funds on the total amount of recovery funds received; the amount of such funds that were expended or obligated; a detailed list of all projects or activities for which recovery funds were expended or obligated, including the name and description of the project, an evaluation of the completion status of the project, and an estimate of the number of jobs created or sustained by the project; and, for infrastructure investments made by State and local governments, the purpose, total cost, and rationale of the agency for funding the infrastructure investment. Each Federal agency receiving these quarterly reports will make the information publicly available by posting the information on a website.[7]

➢ Section 1201 of the Recovery Act **requires additional reporting requirements for funds administered by the U.S. Department of Transportation.** Under this provision, each State and other grant recipient shall submit periodic reports to the U.S. Department of Transportation on the use of Recovery Act funds provided for highway, public transit, rail, surface transportation, airport, and maritime programs. The States and other grant recipients will report:

- the amount of Federal funds obligated and outlayed;
- the number of projects that have been put out to bid, and the amount of Federal funds associated with such projects;
- the number of projects for which contracts have been awarded, and the amount of Federal funds associated with such projects;
- the number of projects for which work has begun under such contracts and the amount of Federal funds associated with such contracts;
- the number of projects for which work has been completed under such contracts and the amount of Federal funds associated with such contracts;

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[5] *Id.* § 1201. The certification shall include a statement identifying the amount of funds the State planned to expend from State sources as of the date of enactment during the period from the date of enactment through September 30, 2010. *Id.*

[6] *Id.* § 1201. The certification shall include a description of the investment, the estimated total cost, and the amount of covered funds to be used, and shall be posted on a website and linked to the Recovery.gov website. *Id.*

[7] *Id.* § 1512.

- the number of direct, on-project jobs created or sustained by the Federal funds provided and, to the extent possible, the estimated indirect jobs created or sustained in the associated supplying industries, including the number of job-years created and the total increase in employment since the date of enactment; and

- information tracking the actual aggregate expenditures by each grant recipient from State sources for projects eligible for funding under the program during the period from the date of enactment through September 30, 2010, compared to the level of expenditures that were planned to occur during such period as of the date of enactment.

The first periodic report is due not later than 90 days (May 18, 2009) after the date of enactment, and subsequent reports are due not later than 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act.[8]

READY-TO-GO INFRASTRUCTURE INVESTMENTS

- While certain infrastructure projects may require years of engineering and environmental analysis, followed by a lengthy contract award process, a subset of projects – such as projects involving rehabilitation and repair of existing infrastructure – can move much more quickly, with work beginning within 90 to 120 days.[9]

- The Recovery Act requires funds to be invested in ready-to-go projects. Priority will be given to projects that can be started and completed quickly.[10] For instance, State Departments of Transportation (DOTs) have a tremendous backlog of highway resurfacing needs. State DOTs often have open-ended contracts in place for resurfacing projects, which means that work could begin immediately upon receipt of additional funds. Similarly, many State DOTs have bridge deck overlay projects, in which the top two or three inches of concrete on the surface of the bridge (e.g., the deck) is replaced, which are ready-to-go.

- Even before the U.S. Department of Transportation apportioned formula funds to States, cities, and public transit agencies, State DOTs put out bids (typically for a period of 30 days) for ready-to-go projects. After receipt of the bids and contract award, work can begin on the project within an additional 30 days. **In this way, the Recovery Act has "put shovels in the ground" within 90 to 120 days of the date of enactment.**

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[8] *Id.* § 1201.
[9] The Federal Highway Administration's "August redistribution" of highway funds illustrates the ability of States to obligate additional funds quickly when they become available. In August of each year, States that cannot use their entire obligation authority return the unused authority to the Federal Highway Administration, which then redistributes it to States that can use the funds prior to the end of the fiscal year on September 30.
[10] *See id.* § 1602.

<u>ECONOMIC IMPACT:</u> **MORE THAN 1.8 MILLION JOBS AND $323 BILLION OF ECONOMIC ACTIVITY**

- The $64.1 billion of Federal infrastructure investment will **create or sustain more than 1.8 million jobs and $323 billion of economic activity**. Each $1 billion of Federal funds invested in infrastructure creates or sustains approximately 34,779 jobs and $6.2 billion in economic activity.[11]

- A national survey found that transportation construction contractors hire employees within three weeks of obtaining a project contract. These employees begin receiving paychecks within two weeks of hiring.

- In addition, this infrastructure investment will **increase business productivity** by reducing the costs of producing goods in virtually all industrial sectors of the economy. Increased productivity results in increased demand for labor, capital, and raw materials and generally leads to lower product prices and increased sales.

- The proposed investment will specifically help unemployed construction workers. The construction sector has lost 1,220,000 jobs since the recession began in December 2007. The unemployment rate in construction was **19.2 percent** in May 2009 – up 10.6 points since May 2008. This is the highest unemployment rate of any industrial sector. As of May 2009, **there were 1,768,000 unemployed construction workers** in the nation – that's 959,000 more unemployed construction workers than in May 2008, and 1,092,000 more than in May 2007. Within the overall construction sector, heavy and civil engineering construction employment is now the lowest it has been since October 1998.

- In contrast to the economic stimulus effect from tax cuts, virtually all of the stimulus effect from public infrastructure investment will be felt in the United States. Not only would the construction work be done here, but most transportation construction materials and equipment are manufactured in the United States, as well.[12]

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[11] These estimates are based on 2007 Federal Highway Administration (FHWA) data on the correlation between highway infrastructure investment and employment and economic activity, and assume a 20 percent State or local matching share of project costs. Some infrastructure programs have slightly higher or lower estimates of the number of jobs created or the economic activity generated per $1 billion of Federal funds invested. To enable easy comparisons among the elements of the bill, this document presumes the FHWA model for employment and economic activity. In the overwhelming majority of cases, the requirement for State or local matching funds would be waived under this proposal. Where appropriate, estimates of employment and economic activity have been adjusted to reflect these match waivers.

[12] Previous experience with using public infrastructure investment to stimulate the economy can be found with the Public Works Acceleration Act (P.L. 87-658), signed by President Kennedy on September 14, 1962. Under this program, a total investment of $1.8 billion ($880 million Federal investment and $920 million in local investment) generated 250,000 job-years. *See* Public Works Acceleration Act, 42 U.S.C. § 2641 (1962).

MINORITY-OWNED AND WOMEN-OWNED BUSINESS IMPACT:

- This investment will also help address the disproportionate effect that the increase in unemployment has had on people of color. In May 2009, the rate of unemployment for African Americans was 14.9 percent – 73 percent higher than the rate for whites. The unemployment rate for Hispanic or Latino Americans was 12.7 percent, 48 percent more than the rate for whites.

- Congress has established a national 10 percent aspirational program goal for firms certified as Disadvantaged Business Enterprises ("DBEs"), including minority- and women-owned businesses, with respect to highway, transit, aviation, and other infrastructure programs. As a general rule, States, cities, and infrastructure financing authorities are required to establish an annual DBE participation goal that reflects what DBE participation would be in the absence of discrimination. The DBE program applies to all Recovery Act transportation and infrastructure programs.

HIGHWAYS AND BRIDGES – $27.5 BILLION

Recovery Act:

1. **Provides $26.66 billion in funding for Federal-Aid Highway formula investments.**
2. **Provides $150 million for Puerto Rico and Territorial Highway Programs.**
3. **Provides $550 million for roads on Federal and Indian lands, including $170 million for National Park Roads, $310 million for Indian Reservation Roads, $60 million for Forest Roads, and $10 million for Refuge Roads.**
4. **Provides $60 million for competitive discretionary Ferry Boat capital grants to States.**
5. **Provides $20 million for On-the-Job Training.**
6. **Provides $20 million for Disadvantaged Business Enterprise bonding assistance.**

Distribution: Distributes Federal-Aid Highway funds through a hybrid formula to States (50 percent through Surface Transportation Program formula and 50 percent apportioned via the FY 2008 obligation limitation ratio distribution). States must sub-allocate 30 percent of funds to local governments. Distributes National Park, Indian Reservation, Forest, and Refuge Road funds pursuant to existing administrative processes. Of all the funds provided to a State, three percent must be used for transportation enhancements. Formula funds must be apportioned by the Federal Highway Administration (FHWA) within 21 days (March 10, 2009) of the date of enactment.

Additional Uses of Funds: Expands uses to include stormwater runoff, passenger and freight rail, and port infrastructure projects.

Prioritization: Prioritizes funds on projects that could be completed in three years (February 17, 2012) and are in economically distressed areas of the State, except that, for Ferry Boat projects, priority shall be given to projects that can be completed within two years (February 17, 2011) of enactment.

Shovel-Ready Deadlines: Requires 50 percent of the funds apportioned to the States to be obligated within 120 days (June 30, 2009) after the date of apportionment. Funds not obligated in accordance with this requirement will be withdrawn and redistributed to other States that had no funds withdrawn. Funds suballocated to local governments are not subject to the 120-day redistribution. One hundred percent of funds must be obligated within one-year (March 2, 2010) of apportionment. Funds not obligated as of this date will be withdrawn and redistributed to other States that had no funds withdrawn. The Secretary of Transportation has authority to provide an extension of the one-year period if a State is experiencing extreme conditions.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to FHWA on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by FHWA and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[13]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[14]

Recovery Act Implementation: On March 2, 2009, eight days earlier than what the Recovery Act requires, FHWA issued Federal-aid Highway formula apportionments to States. These apportionments are summarized on the Committee's website:
http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=930

Of the funds provided for the highway formula program, in the past 118 days, all 50 States, the District of Columbia, Puerto Rico, Guam, and the Virginia Islands have submitted and received approval for 4,366 projects totaling $14.4 billion, approximately 54 percent of the Recovery Act highway formula funds. As of June 12, 2009, 43 States and the District of Columbia had met the Recovery Act requirement that 50 percent of funds apportioned to the States be obligated within 120 days (June 30, 2009) of the date of apportionment.

FHWA has committed to ensuring that work is underway on 1,500 highway projects by September 5, 2009, just 200 days after President Obama signed the Recovery Act. In fact, highway construction has already begun all across the country, including the following projects:

- Silver Spring, Maryland: a project to resurface and improve safety along a 1.1-mile section of New Hampshire Avenue ($2.1 million);
- Gibson County, Tennessee: a project to replace three 40-year old wooden bridges ($1 million); and
- Richmond, Vermont: a project to rehabilitate a bridge over the Winooski River ($2 million).

In addition to the formula programs, FHWA has moved ahead with discretionary programs funded by the Recovery Act. As of June 12, 2009, Federal Lands had authorized 21 projects totaling $81.8

[13] American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, § 1201 (2009).
[14] *Id.* § 1512.

million, including $576,000 for pavement preservation in Theodore Roosevelt National Park. Examples of other actions include:

- On March 30, 2009, FHWA issued a solicitation for the Ferry Boat capital grants program and received 102 applications by the May 15, 2009 deadline;

- On April 2, 2009, FHWA allocated the remainder of Refuge Road funds for repairing Fish and Wildlife Service roads;

- On April 6, 2009, FHWA allocated $72.3 million in funds to repair and rehabilitate roads and bridges in National Parks;

- On April 13, 2009, FHWA awarded the first Recovery Act Forest Highway Project ($1.06 million project in Medicine Bow National Forest, Wyoming);

- On April 22, 2009, FHWA allocated $150 million to the Bureau of Indian Affairs for improving roads and bridges within and providing access to Tribal lands, and $24 million to the Federal Lands Highway Division field offices for repairing National Park Service roads and bridges;

- On April 24, 2009, FHWA allocated $17 million to the National Parks Service for pavement preservation projects;

- On May 7, 2009, FHWA allocated $257,500 to Federal Lands Highway Division field offices for repairing National Park Service roads and bridges; and

- On June 11, 2009, FHWA allocated $1.3 million to the Ramah Navajo Chapter and Pawnee Nation for repairing and improving Indian Reservation Roads.

FHWA took many steps to ensure consistency and timeliness in reporting and implementation. The agency issued reporting guidance to States and hosted an implementation webcast that more than 400 people attended. On April 13, 2009, FHWA finalized its risk management plans for implementation and oversight of Recovery Act projects. In May 2009, FHWA completed its "Fraud Prevention and Awareness" and "Understanding, Detecting & Reporting Anti-Trust Violations" training, presented by the U.S. Department of Transportation Office of the Inspector General and the Department of Justice, Anti-Trust Division. In June 2009, FHWA conducted risk management training for 750 Division Office staff.

The Recovery Act requires Governors, mayors, or chief executive officers to make specific certifications. On April 22, 2009, the Secretary of Transportation sent letters to the Governors of the States, Territories, and District of Columbia, regarding their section 1201 Maintenance of Effort certifications. The letters stated that the Recovery Act does not authorize the use of conditional or qualified certifications. Governors had until May 22, 2009, to amend their certifications, as needed. DOT established a website where the agency posts submitted certifications, by State: http://testimony.ost.dot.gov/ARRAcerts/.

Economic Impact: Creates more than 765,000 jobs and $136 billion of economic activity.

TRANSIT – $8.4 BILLION

TRANSIT URBAN AND RURAL FORMULA GRANTS – $6.8 BILLION

Recovery Act: **Provides $6.8 billion in transit capital and operating grants for ready-to-go projects, including $5.44 billion using the current transit urban formula, $680 million using the current transit rural formula, and an additional $680 million to both urban and rural areas using the current Growing States and High Density States formula.**

Distribution: Distributes transit urban and rural formula funds to States, cities, and public transit agencies pursuant to existing statutory transit formulas under 49 U.S.C. § 5307, 49 U.S.C. § 5311, and 49 U.S.C. § 5340.

Prioritization: Formula funds must be apportioned by FTA within 21 days (March 10, 2009) of enactment.

Shovel-Ready Deadlines: Requires States, cities, and public transit agencies to obligate at least $3.4 billion (50 percent) of these funds within 180 days (September 1, 2009) of the date of apportionment. Funds not obligated in accordance with this requirement will be withdrawn and redistributed to other urbanized areas or States that had no funds withdrawn. One hundred percent of funds must be obligated within one-year (March 5, 2010) of apportionment. Funds not obligated as of this date will be withdrawn and redistributed to other urbanized areas or states that had no funds withdrawn. The Secretary of Transportation has authority to provide an extension of the one-year period if a State or urbanized area has encountered an unworkable bidding environment or other extenuating circumstances.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to FTA on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by FTA and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[15]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and

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[15] *Id.* § 1201.

obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[16]

Recovery Act Implementation: Of the $6.8 billion apportioned on March 5, 2009, for the Transit Capital Assistance program, $1.2 billion for 101 projects in 29 States and the Virgin Islands has been awarded by FTA, including three grants in rural areas of Kentucky, Missouri, and Maine:

- Kentucky: Purchase of 206 vehicles including trolleys, buses, and vans;
- Maine: Construction of a new passenger ferry; and
- Missouri: Purchase of approximately 319 vehicles including modified vans and minivans.

These apportionments are summarized on the Committee's website: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=930.

The deadline for submitting proposals to the Tribal Transit Program passed on May 22, 2009. Under this program, $17 million in Federal funding was made available to recognized Indian Tribes or Alaska Native villages, groups, or communities for capital expenditures including transit equipment and facilities. FTA received more than 80 proposals totaling $50 million. FTA has also received $36.6 million in "flexed fund" transfers from FHWA. "Flexed fund" transfers occur when States and local authorities choose to use their Recovery Act highway funds for transit projects in their respective locale. As of May 22, 2009, three States (totaling $16.1 million) and five metropolitan areas (totaling $20.5 million) had opted to take advantage of this provision.

FTA also reached out to transit agencies to ensure accuracy and consistency in reporting and implementation by issuing detailed guidance. In March 2009, FTA held a seminar on the Recovery Act at the American Public Transportation Association Legislative Meeting. In April 2009, FTA participated in a webinar to provide transit agencies with up-to-date Recovery Act information. The agency additionally worked to finalize its risk management plan to ensure effective and efficient use of Recovery Act funds. FTA recently hosted a workshop titled "A Vision for Recovery: CFO Workshop on the State of the Economy", to provide public sector managers with ideas about overcoming the current economic downturn.

Economic Impact: Creates more than 189,000 jobs and $34 billion of economic activity.

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[16] *Id.* § 1512.

TRANSIT GREENHOUSE GAS AND ENERGY REDUCTION FUNDING – $100 MILLION

Recovery Act: Provides $100 million of discretionary transit capital grants to public transit agencies to reduce energy consumption or greenhouse gas emissions of their public transportation systems.

Distribution: Distributes transit energy funds to public transit agencies as discretionary grants.

Prioritization: Prioritizes funds for projects based on the total energy savings that are projected to result from the investment, and projected energy savings as a percentage of the total energy usage of the public transit agency.

Shovel-Ready Deadlines: Requires public transit agencies to obligate at least 50 percent of these funds within 180 days (September 1, 2009) of the date of allocation. Requires public transit agencies to obligate all of the funds within one year (March 5, 2009) of the date of allocation. The Secretary of Transportation may provide an extension of time if a city or State has encountered an unworkable bidding environment or other extenuating circumstances.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to FTA on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by FTA and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and have been awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[17]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[18]

Recovery Act Implementation: On March 24, 2009, FTA issued notice in the Federal Register soliciting proposals for this program. On April 8, 2009, FTA hosted a webinar for potential applicants to this program. Proposals were due May 22, 2009. FTA received approximately 240 proposals, which in total contain up to 500 projects (totaling $1.2 billion).

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[17] *Id.* § 1201.
[18] *Id.* § 1512.

Economic Impact: Creates approximately 2,800 jobs and $500 million of economic activity.

FIXED GUIDEWAY INFRASTRUCTURE INVESTMENT – $750 MILLION

Recovery Act: Provides $750 million for transit fixed guideway modernization projects.

Distribution: Distributes funds through the existing fixed guideway modernization formula.

Prioritization: Formula funds must be apportioned by FTA within 21 days (March 10, 2009) of enactment.

Shovel-Ready Deadlines: Requires public transit agencies to obligate at least $375 million (50 percent) of these funds within 180 days (September 1, 2009) of the date of apportionment. Requires public transit agencies to obligate all of the funding within one year (March 5, 2010) of the date of apportionment. The Secretary of Transportation may provide an extension of time if a city or State has encountered an unworkable bidding environment or other extenuating circumstances.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to FTA on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by FTA and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and have been awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[19]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[20]

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[19] *Id.* § 1201.
[20] *Id.* § 1512.

Recovery Act Implementation: On March 5, 2009, FTA announced the allocation of these formula funds. These apportionments are summarized on the Committee's website: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=930.

As of June 15, 2009, FTA had obligated 11 grants worth $199 million in 7 States and the District of Columbia.

Economic Impact: Creates approximately 20,900 jobs and $3.7 billion of economic activity.

TRANSIT NEW STARTS CONSTRUCTION – $750 MILLION

Recovery Act: Provides $750 million in transit capital grants for New Starts construction projects.

Distribution: Distributes New Starts project construction funds to public transit agencies pursuant to existing authority under SAFETEA-LU, FTA Full Funding Grant Agreements, and FTA Project Construction Grant Agreements. FTA would determine the distribution of funds through its existing competitive process.

Prioritization: Prioritizes funds on projects that are currently in construction or are able to obligate funds within 150 days (July 16, 2009) of enactment.

Shovel-Ready Deadlines: FTA must obligate 100 percent of the funds by September 30, 2010.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to FTA on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by FTA and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and have been awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[21]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and

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[21] *Id.* § 1201.

obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[22]

Recovery Act Implementation: On May 11, 2009, FTA issued New Starts grants for the following projects:

State	Urban Area	Project	Funding
Arizona	Phoenix	Central/Phoenix East Valley Light Rail	$36,000,000
California	Los Angeles	Metro Gold Line Eastside Extension	$66,740,000
Colorado	Denver	West Corridor Light Rail Transit	$40,000,000
New York	New York	Long Island Rail Road East Side Access	$195,410,000
New York	New York	Second Avenue Subway Phase I	$78,870,000
Oregon	Portland	South Corridor I-205/Portland Mall LRT	$32,000,000
Oregon	Springfield	Pioneer Parkway EmX BRT	$2,940,000
Texas	Dallas	Northwest/Southeast Light Rail Transit Minimum Operable Segment	$78,390,000
Utah	Salt Lake City	Mid Jordan Light Rail Transit	$90,890,000
Virginia	Northern Virginia	Dulles Corridor Metrorail – Extension to Wiehle Avenue	$77,260,000
Washington	Seattle	University Link Light Rail Transit Extension	$44,000,000
Total			$742,500,000

Economic Impact: Creates more than 50,000 jobs and $9 billion of economic activity. Furthermore, the additional $750 million of New Starts funding will make available an additional $1.5 billion of contingent commitment authority to enable FTA to sign more New Starts funding agreements for future transit construction projects.

[22] *Id.* § 1512.

RAIL – $9.3 BILLION

Recovery Act:

1. **Provides $1.3 billion for capital grants to Amtrak, of which $450 million shall be used by Amtrak for safety and security improvements.**

2. **Provides $8 billion for high-speed rail, intercity passenger rail, and congestion capital grants to States.**

Distribution: Distributes $1.3 billion of capital grants to Amtrak; distributes $8 billion of high-speed rail, intercity passenger rail, and congestion grants to States on a competitive basis to pay for the cost of capital projects, as provided for in section 501 of the Passenger Rail Investment and Improvement Act of 2008 (Division B of P.L. 110-432) and chapter 244 of Title 49, United States Code.

Prioritization: For capital grants to Amtrak, priority shall be given to projects for the repair, rehabilitation, or upgrade of railroad assets or infrastructure, and for capital projects that expand passenger rail capacity, including the rehabilitation of rolling stock. For high-speed rail, intercity passenger rail, and congestion grants, priority shall be given to projects that support the development of high-speed rail service.

Shovel-Ready Deadlines: For capital grants to Amtrak, the Secretary shall ensure that projects funded with economic recovery funds provided to Amtrak shall be completed within two years (February 17, 2011) of enactment. 100 percent of the funds must be obligated by September 30, 2010. For high-speed rail, intercity passenger rail, and congestion grants, 100 percent of the funds must be obligated by September 30, 2012.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to the Federal Railroad Administration (FRA) on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by FRA and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and have been awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[23]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each

[23] *Id.* § 1201.

calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[24]

Recovery Act Implementation: On March 19, 2009, FRA executed a grant agreement with Amtrak for $1.3 billion. Since then, Amtrak has approved 675 projects totaling nearly $1.3 billion. These projects include:

- a project to replace a moveable bridge over the Niantic River in Connecticut ($100 million);
- a project to rehabilitate 68 passenger cars ($82 million); and
- a project to repair the approximately 80-year-old Lamokin frequency converters in Pennsylvania, which form a key element of the Northeast Corridor's power supply system ($60 million).

On April 23, 2009, FRA provided its first disbursement under the Recovery Act to Amtrak in the amount of $23 million. As of June 15, 2009, FRA had approved 19 Amtrak Recovery Act projects totaling $42 million, including improving stations and upgrading electrical traction systems on the Northeast Corridor. For a list of other Amtrak projects to be funded by the Recovery Act, see: http://www.fra.dot.gov/us/press-releases/243.

Besides working with Amtrak to expand rail capacity and upgrade rail infrastructure, FRA received Amtrak's preliminary list of security projects funded by the Recovery Act. On April 9, 2009, FRA met with the Department of Homeland Security to establish a process to ensure consistent intra-agency procedures governing grants to fund Amtrak security projects.

FRA also selected a program management support contractor for the $8 billion high-speed rail and intercity passenger rail grant programs. On April 16, 2009, FRA announced its strategic plan for high speed rail. Recently, FRA completed a series of outreach workshops around the country. These workshops sought to solicit stakeholder and public input to assist in the development of guidance for this program.

On June 17, 2009, FRA issued interim guidance on the high-speed intercity passenger rail program, which describes the program's requirements and funding opportunities. Preference will be given to projects that, "Improve transportation mobility, options, service, convenience, safety and efficiency; Promote economic recovery and development, particularly in economically-distressed regions and communities through job creation and revitalization of industrial manufacturing capacity; Yield other public benefits and return on investment, including improved energy efficiency and independence, environmental quality, and livable communities; Ensure project success through effective project management, financial planning, and sustainable regional cooperation and partnerships; Achieve balance among and between different types of projects, geographic regions, technological innovations, and timeliness of project completion; Effectively leverage local, state, private sector and railroad resources and investments."

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[24] *Id.* § 1512.

Applications will be evaluated according to the following criteria: "improvements to intercity passenger service, as evidenced by increased ridership (measured in passenger-miles), increased on-time performance (measured in reductions in delays), reduced trip time, additional service frequency to meet anticipated or existing demand; cross-modal benefits, including positive impacts on air or highway traffic congestion, capacity, or safety; intermodal integration through provision of direct, efficient transfers among intercity transportation and local transit networks at train stations, including connections at airports, bus terminals, subway stations, ferry ports, and other connectors; promoting standardized equipment (or rolling stock), signaling, communications and power; and improving the overall state of repair and physical plant for intercity lines; improved freight or commuter rail operations, in relation to cost-sharing and equitable financial participation in the project's financing by freight and commuter rail carriers commensurate with the benefit expected to their operations."

States, groups of States, interstate compacts, and public agencies established by one or more States that may apply for capital improvements grant funding that benefits all types of intercity passenger rail may apply. Public comments and pre-applications are due by July 10, 2009. Applications for "ready-to-go" projects, service planning activities, and appropriations-funded projects are due by August 24, 2009. Applications for service development programs are due by October 2, 2009.

To view a national map showing the designated high-speed rail corridors, see: http://transportation.house.gov/Media/file/Full%20Committee/Stimulus/Designated%20HSR%20Corridors%20at%20101905b%20(2).pdf.

To view descriptions of designated high-speed rail corridors, see: http://transportation.house.gov/Media/file/Full%20Committee/Stimulus/High%20Speed%20Rail%20Corridor%20Descriptions.pdf.

Economic Impact: Creates approximately 259,000 jobs and $46 billion of economic activity.

<u>NATIONAL SURFACE TRANSPORTATION SYSTEM DISCRETIONARY GRANTS - $1.5 BILLION</u>

<u>The Recovery Act</u>: Provides $1.5 billion to the Secretary of Transportation to make competitive discretionary grants for surface transportation projects that will have a significant impact on the Nation, a metropolitan area, or a region. Projects eligible for funding under this program include highway or bridge projects eligible under title 23, U.S.C.; public transportation projects eligible under chapter 53 of title 49, U.S.C., including investments in projects participating in the New Starts or Small Starts programs that will expedite the completion of those projects; passenger and freight rail transportation projects; and port infrastructure investments, including projects that connect ports to other modes of transportation and improve the efficiency of freight movement. The Secretary may use up to $200 million of the $1.5 billion to provide credit assistance to projects under the Transportation Infrastructure Finance and Innovation Act ("TIFIA") program.

<u>Distribution</u>: The Secretary of Transportation shall award discretionary grants to State and local governments or transit agencies based on project selection criteria to be published not later than 90 days (May 18, 2009) after the date of enactment. A grant funded under this program shall be not less than $20 million and not more than $300 million, although the Secretary may waive the minimum grant size for the purpose of funding significant projects in smaller cities, regions, or States. Not more than 20 percent of the funds under this program may be awarded to projects in a single State. The Secretary shall ensure an equitable geographic distribution of funds and an appropriate balance in addressing the needs of urban and rural communities.

<u>Prioritization</u>: Prioritizes funds on projects that require a contribution of Federal funds in order to complete an overall financing package, and to projects that are expected to be completed within three years (February 17, 2012) of the date of enactment.

<u>Shovel-Ready Deadlines</u>: Grant applications must be submitted not later than 180 days (November 14, 2009) after the publication of project selection criteria. The Secretary shall announce all projects selected for funding not later than one year (February 17, 2010) after the date of enactment.

<u>Transparency and Accountability Requirements</u>: Grant recipients must submit periodic reports to the Office of the Secretary of Transportation (OST) on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by OST and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and have been awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[25]

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[25] *Id.* § 1201.

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[26]

Recovery Act Implementation: On May 18, 2009, the Department of Transportation published a notice of funding availability and solicitation of applications from applicants seeking Transportation Investment Generating Economic Recovery (TIGER) Discretionary Grants. Applications are due by September 15, 2009.

Eligible projects include "capital investments in: (1) highway or bridge projects; (2) public transportation projects; (3) passenger and freight rail transportation projects; and (4) port infrastructure investments, including projects that connect ports to other modes of transportation and improve the efficiency of freight movement." Selection criteria include contributing to the medium- to long-term economic competitiveness of the nation and improving the condition of existing transportation facilities and systems, the quality of living and working environments through livable communities, energy efficiency and reducing greenhouse gas emissions, and the safety of U.S. transportation facilities. The Department plans to give priority to projects that are expected to quickly create and preserve jobs and stimulate rapid increases in economic activity, particularly projects that will benefit economically distressed areas.

State and local governments, including Territories, tribal governments, transit agencies, port authorities, and other political divisions of State or local governments, and multi-State or multi-jurisdictional applicants are eligible to apply.

Economic Impact: Creates more than 41,000 jobs and $7 billion of economic activity.

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[26] *Id.* § 1512.

AVIATION – $1.3 BILLION

AIRPORT IMPROVEMENT PROGRAM – $1.1 BILLION

Recovery Act: Provides $1.1 billion for airport capital improvements through the Airport Improvement Program (AIP).

Distribution: Distributes funds to airports through the existing AIP Discretionary Grants program. The Federal Aviation Administration (FAA) will determine the distribution of funds through its existing competitive process and national priority system.

Prioritization: Prioritizes funds on projects that can be completed within two years (February 17, 2011) of enactment, and serve to supplement and not supplant planned expenditures from airport-generated revenues or from other State and local funding sources.

Shovel-Ready Deadlines: The Secretary shall award grants totaling not less than 50 percent of the $1.1 billion within 120 days (June 17, 2009) of the date of enactment, and award grants for the remaining amounts not later than one year (February 17, 2010) after the date of enactment.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to the FAA on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by the FAA and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and have been awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[27]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[28]

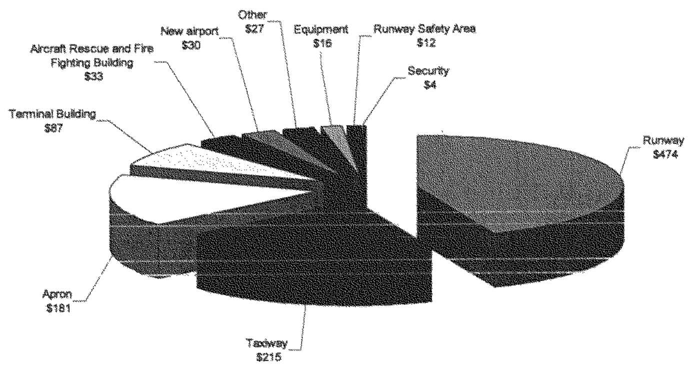
Recovery Act Implementation: On March 3, 2009, the FAA issued guidance to airport sponsors explaining the requirements of the Recovery Act and the agency's planned process for distributing

[27] *Id.* § 1201.
[28] *Id.* § 1512.

AIP funds provided by the Recovery Act. Additional guidance is being issued as program specifics are defined.

The chart below represents the FAA's current best estimate of the set of projects that will receive Recovery Act funding, by type of project. It is subject to change because the FAA may discover that some projects are not able to proceed and must be replaced, or as bids come in better than expected and, therefore, the FAA is able to add new projects to the list.

Anticipated American Recovery and Reinvestment Act Airport Projects by Category*
(millions)



Source: Federal Aviation Administration.

Examples of projects to be funded include:

- $7 million to rehabilitate a runway at Denver International Airport;
- $8 million to rehabilitate a taxiway at Tampa International Airport; and
- $4.5 million to improve a runway safety area at the Savannah/Hilton Head International Airport.

As of June 11, 2009, the FAA had identified all but $5 million of the $1.1 billion in Recovery Act funding for 325 airport grant projects in 50 States and 4 Territories, of which only 11 projects (totaling $18.9 million) are still awaiting Congressional notification. After tentative funding allocations are announced, airport sponsors are able to solicit bids for construction. Sponsors will then submit their grant applications to the FAA based on the bids received. After a grant application is approved, the funds will be obligated by the FAA.

As of June 15, 2009, the FAA had obligated $330 million for 100 AIP projects in 41 States and 2 Territories. Obligated projects include rehabilitating runway lighting at Northeast Alabama Regional Airport in Gadsden, Alabama, ($375,000) and acquiring an Aircraft Rescue & Fire Fighting Vehicle at Baton Rouge Municipal Airport in Baton Rouge, Louisiana ($2.5 million). The FAA has committed to ensuring that work is underway at 81 airports by September 5, 2009, just 200 days after President Obama signed the Recovery Act.

For the latest list of projects for which tentative funding allocations have been announced, see: http://www.faa.gov/airports_airtraffic/airports/aip/grantapportion_data/media/fy09_cumulative_approved_arra_grants.xls

Economic Impact: Creates approximately 30,600 jobs and $5.5 billion of economic activity.

FAA FACILITIES & EQUIPMENT – $200 MILLION

Recovery Act: Provides $200 million for capital improvements to the FAA facilities.

Distribution: Funds may be distributed through the FAA's existing administrative processes or in the form of grants. Within 60 days (April 17, 2009) of the date of enactment, the FAA Administrator shall establish a procedure for applying for grants under this program, reviewing such applications, and awarding grants and cooperative and other transaction agreements under this program.

Prioritization: Prioritizes funds on projects that will be completed within two years (February 17, 2011) of the date of enactment.

Shovel-Ready Deadlines: The FAA must obligate 100 percent of funds by September 30, 2010.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to the FAA on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by the FAA and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and have been awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[29]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each

[29] *Id.* § 1201.

calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[30]

Recovery Act Implementation: The FAA plans to use Recovery Act funds to upgrade power systems ($50 million), air route traffic control centers ($50 million), air traffic control towers and terminal radar approach control facilities ($80 million), and lighting, navigation, and landing equipment ($20 million). For the latest list of approximately 300 projects for which tentative funding allocations have been announced, see: http://www.faa.gov/recovery/programs/media/facilities_and_equipment_arra_funding.pdf.

As of June 15, 2009, the FAA had obligated $48 million for 157 Facilities and Equipment projects in 38 States. Projects include installation of energy efficient heating, ventilation, and air conditioning systems at 121 locations nationwide and installation of 10 replacement lamp monitoring systems. The FAA also recently issued procurement requests for fuel storage tank replacements at 20 locations (totaling $2.3 million) and battery replacement at 41 locations (totaling $205,000).

Economic Impact: Creates approximately 5,600 jobs and $990 million of economic activity.

[30] *Id.* § 1512.

ENVIRONMENTAL INFRASTRUCTURE – $5.26 BILLON

CLEAN WATER STATE REVOLVING FUND – $4 BILLION

Recovery Act: Provides an additional $4 billion to construct, rehabilitate, and modernize the nation's wastewater infrastructure through the Clean Water State Revolving Fund (SRF) program. Within the existing Clean Water SRF allocation to States, direct individual State infrastructure financing authorities to: (1) utilize 50 percent of the capitalization grants for additional subsidizations in the form of negative interest loans, principle subsidization, or grants; and (2) utilize 20 percent of the capitalization grant for investment in green infrastructure projects, environmentally innovative activities, or projects or technologies that use energy and water efficient plans or components.

Distribution: Distributes $4 billion for the Clean Water SRF pursuant to the existing Clean Water Act distribution formula.

Under the Recovery Act, State infrastructure financing authorities are required to utilize 50 percent of the capitalization grant for additional subsidizations in the form of negative interest loans, principal forgiveness, or grants to increase the overall affordability of wastewater infrastructure projects.

In addition, the Recovery Act requires State infrastructure financing authorities to utilize 20 percent of the capitalization grant for investment in green infrastructure projects, water or energy efficiency improvements, or environmentally innovative activities.

Prioritization: Notwithstanding the priority rankings projects would otherwise receive under the program, prioritizes economic recovery funds on projects on a State priority list that are ready to proceed to construction within 12 months (February 17, 2010) of enactment.

Shovel-Ready Deadlines: Requires State infrastructure financing authorities to award contracts for projects or proceed to construction within one year (February 17, 2010) of the date of enactment. Funds for projects not under contract or under construction within one year will be withdrawn by the Environmental Protection Agency (EPA) Administrator and reallocated among the remaining States.

Transparency and Accountability Requirements: EPA must submit a general plan for the expenditure of Recovery Act funds to the Committees on Appropriations within 30 days (March 19, 2009) of enactment of the Recovery Act. EPA must submit a report containing detailed project level information associated with the general plan within 90 days (May 18, 2009) of enactment of the Recovery Act.[31]

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[31] *Id.* § 701.

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[32]

Recovery Act Implementation: On March 2, 2009, EPA issued initial guidance on the requirements of the Recovery Act, and how EPA plans to use Recovery Act funds to make capitalization grants for the Clean Water SRF. On March 24, 2009, EPA posted Clean Water SRF allotments by state. These allotments are summarized on the Committee's website: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=930.

On April 1, 2009, EPA's Acting Assistant Administrator for the Office of Water signed a nationwide waiver of the Buy American provision of the Recovery Act for eligible projects under the Clean Water SRF "for which debt was incurred on or after October 1, 2009 and before February 17, 2009," (See 74 Fed. Reg. 157220). Projects eligible for this limited waiver of the Buy American provisions would include: (1) specific designs; (2) projects that may have solicited bids from prospective contractors, and (3) projects that may have awarded construction contracts, and in some cases began construction, prior to February 17, 2009.

On April 3, 2009, the Office of Management and Budget (OMB) released initial administrative guidance for the implementation of the Recovery Act, including guidance for the implementation of the Buy American provision of section 1605 of the Recovery Act. This guidance document provides additional details on how Federal agencies, including EPA, should interpret the Buy American provision, and how such provision should be interpreted by the individual States that receive capitalization grants for the Clean Water SRF under the Recovery Act.

On April 28, 2009, EPA's Office of Wastewater Management and Ground Water and Drink Water issued additional guidance on the implementation of the Buy American provisions for wastewater infrastructure. This guidance document provides a specific, step-by-step process for obtaining a waiver of the Buy American provision of the Recovery Act in instances where EPA determines that "(1) applying these requirements would be inconsistent with the public interest; (2) iron, steel, and the relevant manufactured goods are not produced in the United States in sufficient and reasonably available quantities and of satisfactory quality; or (3) inclusion of iron, steel, and manufactured goods produced in the United States will increase the cost of the overall project by more than 25 percent." This guidance provides specific materials for the implementation of the Buy American provisions of the Recovery Act, including sample Buy American Contract language for contractors and subcontractors, draft Federal Register notices for waivers of the Buy American provisions, and a checklist for a waiver request.

As of June 15, 2009, EPA had announced nearly $3 billion for 71 Clean Water SRF projects in 43 States.

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[32] *Id.* § 1512.

Economic Impact: Creates approximately 111,000 jobs and $20 billion of economic activity.

SUPERFUND – $600 MILLION

Recovery Act: Provides $600 million for the Superfund program, a comprehensive program to clean up the nation's worst abandoned or uncontrolled hazardous waste sites.

Distribution: Distributes $600 million through existing EPA Superfund program.

Prioritization: EPA selects projects for Recovery Act funding based on a variety of factors, including: construction readiness; human and ecological risk; and opportunities to reduce project costs and schedules.

EPA anticipates that the benefits of applying Recovery Act funds to the Superfund program will include: acceleration of existing projects; investment in new projects; faster return of sites to productive use; and potential acceleration of "green remediation" technology.

Shovel-Ready Deadlines: EPA must obligate 100 percent of funds by September 30, 2010.

Transparency and Accountability Requirements: EPA must submit a general plan for the expenditure of Recovery Act funds to the Committees on Appropriations within 30 days (March 19, 2009) of the date of enactment of the Recovery Act. EPA must submit a report containing detailed project level information associated with the general plan within 90 days (May 18, 2009) of enactment of the Recovery Act.[33]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[34]

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[33] *Id.* § 701.
[34] *Id.* § 1512.

Recovery Act Implementation: On April 15, 2009, the EPA announced its distribution of $600 million in new Superfund cleanup funding through the Recovery Act. Funds will be used to initiate new construction or accelerate ongoing cleanup activities at Superfund sites, boosting local economies and protecting public health and the environment. The sites receiving Recovery Act funds are:

State	Location	Project
California	Clear Oaks	Sulphur Bank Mercury Mine
California	Davis	Frontier Fertilizer
California	Redding	Iron Mountain Mine
Colorado	Central City	Clear Creek
Colorado	Del Norte	Summitville Mine
Delaware	New Castle	Standard Chlorine
Florida	Clermont	Tower Chemical
Florida	Marianna	United Metals
Florida	Pensacola	Escambia Wood
Georgia	Brunswick	Brunswick Wood
Georgia	Fort Valley	Woolfolk
Idaho	Kellogg	BH Mining; Basin Property Remediation Program
Illinois	Waukegan	Outboard Marine Corporation
Indiana	Evansville	Jacobsville Neighborhood Soil Contamination Soil
Indiana	Kokomo	Continental Steel
Kansas	Galena	Cherokee County
Massachusetts	Lowell	Silresim Chemical
Massachusetts	Mansfield/Foxborough	Hatheway & Patterson
Massachusetts	New Bedford	New Bedford Harbor
Minnesota	Minneapolis	South Minneapolis Residential Soil Contamination
Missouri	Fredericktown	Madison County
Missouri	Joplin	Oronogo-Duenweg
Montana	Near Helena	Upper Ten Mile
Nebraska	Omaha	Omaha Lead
New Hampshire	Kingston	Ottati & Goss
New Jersey	Camden & Gloucester County	Welsbach
New Jersey	Florence	Roebling Steel
New Jersey	Galloway	Emmell's Landfill
New Jersey	Morganville	Imperial Oil
New Jersey	Pleasantville & Egg Harbor	Price Landfill
New Jersey	Sayreville	Horseshoe Road
New Jersey	South Plainfield	Cornell Dubilier
New Jersey	Vineland	Vineland Chemical
New Mexico	Grants	Grants Chlorinated
New York	Garden City	Old Roosevelt Field
New York	Port Jefferson	Lawrence Aviation
North Carolina	Roxboro	GMH

State	Location	Project
North Carolina	Statesville	Sigmons Septic
North Dakota	Southeast	Arsenic Trioxide
Oklahoma	Ottawa County	Tar Creek
Pennsylvania	Havertown	Havertown
Pennsylvania	Huff's Church	Crossley Farm
South Dakota	Near Lead	Gilt Edge
Texas	Longview	Garland Creosoting
Utah	Bountiful	Bountiful W/C
Utah	Eureka	Eureka Mills
Vermont	Stafford	Elizabeth Mine
Virginia	Portsmouth	Atlantic Wood Industries
Washington	Bainbridge Island	Wyckoff/Eagle Harbor
Washington	Tacoma	Commencement Bay

Economic Impact: Creates approximately 16,700 jobs and $3 billion of economic activity.

BROWNFIELDS – $100 MILLION

Recovery Act: Provides $100 million for EPA's Brownfields Discretionary Grant Program.

Distribution: Distributes funds to States, cities, and redevelopment agencies through the existing EPA Brownfields Discretionary Grant program for site assessments, remediation and cleanup grants, and to capitalize state Brownfield revolving loan programs as authorized under section 104(k) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (P.L. 96-510), as amended by the Brownfields Revitalization and Environmental Restoration Act of 2001 (P.L. 107-118).

Prioritization: On April 10, 2009, EPA announced the criteria for funding decisions under the Brownfields Revolving Loan Funds program, including the demonstrated ability of the revolving loan fund to make loans and subgrants with Recovery Act funds "quickly" (i.e., "shovel-ready" projects) for cleanups that can be started and completed expeditiously, and the demonstrated ability to use supplemental revolving loan funds in a manner that maximizes job creation.

Shovel-Ready Deadlines: EPA must obligate 100 percent of funds by September 30, 2010.

Transparency and Accountability Requirements: EPA must submit a general plan for the expenditure of Recovery Act funds to the Committees on Appropriations within 30 days (March 19, 2009) of the date of enactment of the Recovery Act. EPA must submit a report containing detailed project level information associated with the general plan within 90 days (May 18, 2009) of the date of enactment of the Recovery Act.[35]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[36]

Recovery Act Implementation:

Environmental Job Training ($5 million): On March 19, 2009, the EPA issued a request for applications from eligible governmental entities and nonprofit organizations to provide environmental job training projects that will facilitate job creation in the assessment, remediation, or preparation of Brownfields sites for sustainable reuse. The closing date for receipt of applications was April 20, 2009.

Brownfields Revolving Loan Funds ($40 million): On April 10, 2009, EPA published a notice in the Federal Register (74 Fed. Reg. 16386) that the agency was accepting requests for approximately $40 million for supplemental funding of current Brownfields revolving loan funds established under section 104(k)(4) of the Superfund law. Applications for supplemental Brownfields revolving loan funds were submitted to EPA Regional offices by May 1, 2009.

Brownfields Environmental Site Assessment and Cleanup Grants ($55 million): On May 8, 2009, EPA announced the availability of $111.9 million in Brownfields environmental site assessment and cleanup grants for 252 individual applicants. Consistent with EPA's prior announcement, this funding represents grant awards from the FY2009 regular appropriations for the Brownfields site assessment and cleanup grant program, as well as the funding received under the Recovery Act for these purposes. In all, 252 applicants were selected to receive 389 grants. Specific information on the awards can be viewed at: http://www.epa.gov/brownfields/grant_announce/recovact5509.pdf.

Economic Impact: **Creates approximately 2,800 jobs and $500 million of economic activity.**

[35] *Id.* § 701.
[36] *Id.* § 1512.

WATERSHED REHABILITATION PROGRAM – $50 MILLION

Recovery Act: Provides $50 million for the rehabilitation of deficient flood damage reduction projects under the Watershed Rehabilitation Program.

Distribution: Funds will be distributed to rehabilitate aging flood control structures nationwide.

Prioritization: Funds must be allocated to projects that can be fully funded and completed with the funds appropriated in the Recovery Act, and funds must be allocated to activities that can commence promptly following enactment of the Recovery Act.

Shovel-Ready Deadlines: The Natural Resources Conservation Service (NRCS) must obligate 100 percent of funds by September 30, 2010.

Transparency and Accountability Requirements: Each recipient that receives Recovery Act funds from a Federal agency must submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[37]

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[37] *Id.* § 1512.

Recovery Act Implementation: On April 6, 2009, NRCS announced the distribution of approximately $45 million in Recovery Act funds through this program to rehabilitate the following 27 dams:

State	Project	Funding
Arkansas	Poteau River 5	$1,495,000
Georgia	Little Sandy & Trail 1	$840,000
Georgia	Marbury 22	$300,000
Georgia	Sandy Creek 15	$1,975,000
Georgia	Sandy Creek 23	$1,675,000
Georgia	South River 4	$1,375,000
Georgia	South River 10	$150,000
Kansas	Switzler Creek 7	$1,135,000
Massachusetts	Su-As-Co MA301	$2,357,400
Massachusetts	Su-As-Co MA303	$2,007,000
Missouri	Lost Creek B-2	$400,000
Nebraska	Papio W-3	$1,170,000
New York	Little Choconut 2	$344,200
New York	Conewango 3	$1,200,000
New York	Conewango 6	$1,200,000
Oklahoma	Cottonwood Creek 15	$3,610,000
Oklahoma	Sallisaw Creek 18	$4,160,000
Oklahoma	Upper Clear Boggy Creek 33	$1,010,000
Oklahoma	Upper Clear Boggy Creek 34	$960,000
Oklahoma	Upper Clear Boggy Creek 35	$840,000
Oklahoma	Washita–Sugar Creek L-43	$1,645,000
Oklahoma	Washita–Sugar Creek L-44	$1,790,000
Texas	Calaveras Creek 6	$2,373,000
Texas	Plum Creek 5	$2,452,000
Virginia	Pohick Creek 2	$2,195,000
Virginia	Pohick Creek 3	$2,160,000
West Virginia	Potomac–New Creek-Whites 14	$4,050,000
Total		$44,868,600

To view a map of projects, see: http://www.usda.gov/recovery/map/.

As of June 12, 2009, NRCS had obligated $2.7 million to rehabilitate 19 aging flood control structures throughout the country.

Economic Impact: Creates approximately 1,400 jobs and $250 million of economic activity.

WATERSHED AND FLOOD PREVENTION OPERATIONS – $290 MILLION

Recovery Act: Provides $145 million for watershed operations, and $145 million for floodplain easements.

Distribution: Funds will be distributed by NRCS to improve water quality, increase water supply, decrease soil erosion, and improve fish and wildlife habitat in rural communities. Other major benefits from these projects include improve community safe and health, flood mitigation, sediment control, and enhanced fish and wildlife habitat.

Prioritization: Funds must be allocated to projects that can be fully funded and completed with the funds appropriated in the Recovery Act, and funds must be allocated to activities that can commence promptly following enactment of the Recovery Act.

Shovel-Ready Deadlines: NRCS must obligate 100 percent of funds by September 30, 2010.

Transparency and Accountability Requirements: Each recipient that receives Recovery Act funds from a Federal agency must submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[38]

Recovery Act Implementation: On April 16, 2009, NRCS announced the distribution of $84.8 million to State and local governments, and on June 2, 2009, NRCS announced the second phase of watershed operations totaling an additional $42.3 million. This funding is pursuant to NRCS's authority for watershed operations under the Watershed Protection and Flood Prevention Act of 1954 (P.L. 83-566), and designated watersheds authorized by the Flood Control Act of 1944 (P.L. 78-534). NRCS is directing technical and financial assistance available through this funding toward projects that are ready to begin and that will relieve stress on local economies through the creation of over 1,400 jobs. To view a map of projects, see: http://www.usda.gov/recovery/map/.

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[38] *Id.* § 1512.

Location	Project	Funding
Alabama	Camp Branch	$175,000
Alabama	Northeast Yellow River	$255,000
Arkansas	Upper Petit Jean	$134,000
California	Lower Silver Creek	$19,000,000
California	Stemple Creek	$275,000
Colorado	Beaver Creek	$2,500,000
Colorado	Highline Breaks	$629,000
Colorado	Holbrook Lake Ditch	$185,000
Colorado	Limestone-Graveyard Creeks	$187,000
Colorado	Trinidad Lake North	$79,000
Idaho	Southern Washington County Water Quality Project	$430,000
Iowa	Bear Creek	$755,000
Iowa	East Fork of The Grand River	$1,258,250
Iowa	Hacklebarney	$161,000
Iowa	Mill Creek	$57,500
Indiana	Honey Creek	$3,300,000
Kansas	Big Caney	$214,000
Kansas	Lyons Creek	$1,248,000
Kansas	Wet Walnut No. 5	$199,000
Kentucky	Fox Creek	$4,092,880
Kentucky	North Fork of Little River	$725,000
Louisiana	Bayou Duralde-Lower Nezpique	$1,270,000
Louisiana	Red Bayou	$3,200,000
Minnesota	Kanaranzi-Little Rock	$245,000
Minnesota	Whitewater River	$299,000
Mississippi	Ellison Creek	$1,875,000
Mississippi	Little and Upper Tallahatchie	$2,200,000
Mississippi	Town Creek	$930,000
Mississippi	Yazoo-Arkabutla Creek	$1,000,000
Mississippi	Yazoo-Upper Piney Creek	$875,000
Mississippi	Yazoo-Upper Skuna River	$750,000
Missouri	Big Creek-Hurricane Creek	$950,000
Missouri	East Fork of Big Creek	$850,000
Missouri	East Yellow Creek	$420,000
Missouri	West Fork of Big Creek	$950,000
Missouri	Upper Locust Creek	$1,730,000
Montana	Buffalo Rapids	$281,000
Montana	Lower Birch Creek	$527,000
Nebraska	Blackwood Creek	$2,000,000
Nebraska	Gering Valley	$2,200,000
New Mexico	Prop Canyon and Tributaries	$1,200,000
New Mexico	Santa Cruz River	$240,000
New York	New York City Watersheds	$1,000,000
North Carolina	Swan Quarter Watershed	$5,280,858

Location	Project	Funding
Northern Marianas (Saipan)	Kagman	$4,150,000
Oklahoma	Bear-Fall-Coon Creeks	$75,000
Oklahoma	Lost Duck Creek	$45,000
Oklahoma	Lower Clear Boggy Creek	$50,000
Oklahoma	Stillwater Creek	$40,000
Oklahoma	Turkey Creek	$1,670,000
Oklahoma	Uncle John Creek	$175,000
Oklahoma	Upper Black Bear Creek	$110,000
Oklahoma	Upper Muddy Boggy Creek	$45,000
Oklahoma	Upper Red Rock Creek	$145,000
Oklahoma	Washita Creek	$809,000
Pennsylvania	Brandywine Creek	$20,000
Pennsylvania	Neshaminy Creek	$10,075,000
Pennsylvania	Red-White Clay Creeks	$430,000
Pennsylvania	Tulpehocken Creek	$1,375,000
South Carolina	South Darlington	$1,040,000
Tennessee	Cane Creek	$12,400,000
Texas	Caney Creek	$399,000
Texas	Elm Creek (Cen-Tex)	$746,000
Texas	Lower Brushy Creek	$2,502,000
Texas	Plum Creek	$1,335,000
Texas	Trinity - Big Sandy Creek	$369,000
Texas	Trinity - Chambers Creek	$8,558,000
Texas	Trinity - East Fork Above Lavon	$666,000
Texas	Trinity - Hickory Creek	$658,000
Texas	Trinity - Little Elm & Laterals	$1,508,000
Texas	Trinity - Pilot Grove	$744,000
Texas	Trinity - Richland Creek	$3,125,000
Texas	Upper Brushy Creek	$930,000
Virginia	Chestnut Creek	$367,700
Virginia	Little Reed Island Creek	$225,300
Virginia	North Fork Powell River	$380,000
Washington	Omak Creek	$625,000
West Virginia	Upper Deckers Creek	$2,100,000
West Virginia	Upper Tygart	$3,025,000
Total		$127,049,488

Regarding funding for floodplain easements, NRCS received over 4,200 applicants, representing more than 478,000 acres of land and totaling more than $1.4 billion. Of those applicants, the Secretary selected 289 easements covering more than 41,000 acres in 36 States.

As of June 12, 2009, $13.6 million had been obligated for 74 projects.

Economic Impact: Creates approximately 8,000 jobs and $1.4 billion of economic activity.

INTERNATIONAL BOUNDARY AND WATER COMMISSION – $220 MILLION

Recovery Act: Provides $224 million to the United States Section of the International Boundary and Water Commission (IBWC) to carry out immediate repair and rehabilitation requirements of existing water supply infrastructure along the U.S.-Mexican border.

Distribution: These funds will allow rehabilitation of approximately 170 miles of deficient levees, including Rio Grande levees as well as levees in the interior floodways in the Lower Rio Grande Flood Control Project.

Prioritization: The IBWC has prioritized Recovery Act funds for projects necessary to raise levee heights and make structural repairs to ensure the levees provide adequate protection during the 100-year flood, a flood that has a 1 percent chance of occurring in any given year. The levee rehabilitation is intended to meet standards established by the Federal Emergency Management Agency (FEMA).

Shovel-Ready Deadlines: IBWC must obligate 100 percent of funds by September 30, 2010.

Transparency and Accountability Requirements: IBWC must submit a detailed spending plan for funds appropriated under the Recovery Act to the Committees on Appropriations within 90 days (May 18, 2009) of enactment of the Recovery Act.[39]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[40]

Recovery Act Implementation: On March 9, 2009, IBWC released a list of projects to be undertaken with the Recovery Act funds.

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[39] *Id.* Title XI.
[40] *Id.* § 1512.

Upper Rio Grande River

Location	Project
Anapra	West Levee
Borderland Bridge to near Country Club Bridge	East Levee
Downstream from Ysleta-Zaragoza Port of Entry to Fort Quitman	U.S. Levee
Fabens area	U.S. Levee
Fort Hancock area	U.S. Levee
Hatch Siphon to Bignell Arroyo	West Levee
Mesilla Dam to Vinton Bridge	East Levee
Rio Grande Power Plant to American Dam	East Levee
Shalem Bridge in Doña Ana County to near Country Club Bridge in El Paso County	West Levee
Vinton Bridge to Borderland Bridge	East Levee/Canutillo Floodwall

Lower Rio Grande River

Location	Project
Divisor Dike to Hidalgo-Cameron County line	Arroyo Colorado
Granjeño to Hidalgo-Cameron County line	North Levee of the Main and North Floodways
Hidalgo Loop Levee Phase I and II	U.S. Rio Grande Levee
Lateral A to Retamal Dam	U.S. Rio Grande Levee
Mission Levee and Culverts at Edinburg Pump	U.S. Rio Grande Levee
Start of floodway to Baseline Road	South Levee of the Main and North Floodways

As of June 15, 2009, IBWC had obligated $10 million for four projects funded by the Recovery Act. These obligations include $1.3 million in Dona Ana County, New Mexico, and $7.7 million in Hidalgo County, Texas, to rehabilitate deficient levees along the Rio Grande River. IBWC expects all geo-technical analysis and design and the remaining environmental documentation will be completed by October 2009. IBWC anticipates that construction will begin this fall and all construction will be awarded by the end of 2009.

Economic Impact: Creates approximately 6,100 jobs and $1.1 billion of economic activity.

U.S. ARMY CORPS OF ENGINEERS – $4.6 BILLION

Recovery Act:

1. **Provides an additional $2 billion for the Corps of Engineers Construction program;**
2. **Provides an additional $2.075 billion for the Corps of Engineers Operation and Maintenance program;**
3. **Provides an additional $375 million for the Corps of Engineers Mississippi River and Tributaries program;**
4. **Provides an additional $100 million for the Corps of Engineers Formerly Utilized Remedial Action Program;**
5. **Provides an additional $25 million for the Corps of Engineers Investigations program; and**
6. **Provides an additional $25 million for the Corps of Engineers Regulatory Program.**

Distribution: Distributes funds to the Corps of Engineers (Corps), which will determine the distribution of funds through its existing project selection process. Water resources development projects include navigation, flood control, hurricane and storm damage reduction, shoreline protection, hydroelectric power, recreation, water supply, environmental infrastructure, environmental protection, restoration and enhancement, and fish and wildlife mitigation projects.

Prioritization: Requires that funds be used for programs, projects, or activities (or elements of programs, projects, or activities) that can be completed within the funds made available in the Recovery Act, and that will not require new budget authority to complete.

Shovel-Ready Deadlines: The Corps must obligate 100 percent of the funds by September 30, 2010.

Transparency and Accountability Requirements: Beginning 45 days (April 3, 2009) after the date of enactment of the Recovery Act, the Corps must submit quarterly reports to the Committees on Appropriations detailing the allocation, obligation, and expenditures of these funds.[41]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and

[41] *Id.* Title IV.

obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[42]

Recovery Act Implementation: On April 28, 2009, the Corps posted its lists of Civil Works projects funded by the Recovery Act. The Corps selected and OMB approved approximately 178 Construction projects, 892 Operation and Maintenance projects, 45 Mississippi River and Tributaries projects, 9 Formerly Utilized Remedial Action Program projects, and 67 Investigations studies and projects. Selected projects are geographically distributed across the United States to provide the nation with inland and coastal navigation, environmental, flood risk management, hydropower, and recreation improvements. On May 1, 2009, initial funds were assigned to selected Civil Works projects to initiate Recovery Act funded work. Additional funds will be assigned to those projects on a weekly basis as needed for contract obligations. On May 8, 2009, the Corps circulated its draft Civil Works Agency Recovery Act Plan for review.

As of June 15, 2009, the Corps had obligated 36 projects (totaling $132 million) for its Construction program, 264 projects (totaling $86 million) for its Operation and Maintenance program, 18 projects (totaling $8.7 million) for its Mississippi River and Tributaries program, 1 project (totaling $100,000) for its Formerly Utilized Remedial Action Program, and 5 projects (totaling $157,000) for its Investigations program.

For the latest list of announced projects, see:
http://www.usace.army.mil/recovery/Pages/Projects.aspx.

To view a national map of Corps projects, see:
http://www.usace.army.mil/recovery/Pages/ProjectLocationsbeta.aspx.

Economic Impact: Creates approximately 139,000 jobs and $23 billion of economic activity.

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[42] *Id.* § 1512.

FEDERAL BUILDINGS – $5.575 BILLION

GENERAL SERVICES ADMINISTRATION – $5.55 BILLION

Recovery Act:

1. **Provides $4.5 billion to convert General Services Administration (GSA) Federal buildings to High-Performance Green Buildings as defined in section 401 of P.L. 110-140, the Energy Independence and Security Act of 2007;**

2. **Provides $750 million for repair, alteration, and construction of Federal buildings and U.S. courthouses, and according to Joint Explanatory Statement of the Committee of Conference, of which $450 million shall be for a new headquarters for the Department of Homeland Security; and**

3. **Provides $300 million for border stations and land ports of entry.**

Distribution: Distributes funds through existing GSA prospectus and non-prospectus programs. GSA will determine the distribution of funds through its existing administrative processes.

Prioritization: According to Joint Explanatory Statement of the Committee of Conference, with regard to funding for High-Performance Green Buildings, funds are focused on projects that will, throughout the life-cycle of the building, reduce energy, water, and material resource use, improve indoor environmental quality, and reduce negative impacts on the environment, including air and water pollution and waste generation.[43] With regard to funds that are used for new U.S. courthouse construction, GSA is advised to consider projects for which the design provides courtroom space for senior judges for up to 10 years from eligibility for senior status, not to exceed one courtroom for every two senior judges.

Shovel-Ready Deadlines: Requires GSA to obligate not less than $5 billion of the funds by September 30, 2010, and the remainder not later than September 30, 2011.

Transparency and Accountability Requirements: GSA must submit a detailed plan, by project, regarding the use of funds made available in this Act to the Committees on Appropriations within 45 days (April 3, 2009) of enactment of the Recovery Act, and shall provide notification to said Committees within 15 days prior to any changes regarding the use of these funds.[44]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each

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[43] *See* Energy Independence and Security Act of 2007, Pub. L. No. 110-140, § 401 (2007).
[44] American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, Title V (2009).

calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[45]

Recovery Act Implementation: The Recovery Act provides $5.55 billion to GSA, including $4.5 billion to convert Federal buildings to high-performance green buildings, $750 million for repair, alteration, and construction of Federal buildings and U.S. courthouses (of which $450 million is for a new headquarters for the Department of Homeland Security), and $300 million for border stations and land ports of entry. GSA has established a national Program Management Office to oversee Recovery Act projects. The Office is now staffed and operational. As of June 15, 2009, GSA had obligated $244 million in Federal Buildings Recovery Act funds for 26 projects.

On March 31, 2009, GSA released a plan detailing how it will spend the $5.55 billion provided by the Recovery Act. GSA selected the best projects for accomplishing the goals of the Recovery Act based on two over-arching criteria:

- the ability of the project to put people back to work quickly; and
- transforming Federal buildings into high-performance green buildings.

The plan comprises hundreds of projects in all 50 States, Washington, DC, and two U.S. Territories, including:

- constructing 10 Federal buildings and courthouses in five States, Washington, DC, and Puerto Rico ($733.7 million);
- constructing five border stations and land ports of entry in five States on the U.S.-Mexico and U.S.-Canada borders ($300 million);
- modernizing 43 Federal buildings and courthouses in 20 States, Washington, DC, and Puerto Rico with major projects to convert facilities to high-performance green buildings ($3.17 billion);
- modernizing 194 Federal buildings and courthouses in 48 States, Washington, DC, Puerto Rico, and the Virgin Islands with limited-scope projects to convert facilities to high-performance green buildings ($806.9 million); and
- modernizing Federal buildings and courthouses with small projects to convert facilities to high-performance green buildings ($298.6 million).

Each major modernization project will meet the energy efficiency and conservation requirements of the Energy Independence and Security Act of 2007 (P.L. 110-140). Each limited-scope modernization project will all include advanced meters for electricity and water. In addition, if the limited-scope project includes roof replacement, the roof will be replaced with integrated photovoltaic membrane (if flat and in the appropriate geography), maximum reasonable insulation

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[45] *Id.* § 1512.

for the climatic zone (R-50 in colder climates), or a green roof if an integrated photovoltaic roof is not warranted.

Examples of projects to be funded include:

- construction of the Department of Homeland Security headquarters at St. Elizabeths in Washington, DC ($450 million);
- construction of the Nogales West U.S. Land Port of Entry in Nogales, Arizona ($199.5 million);
- modernization of the Whipple Federal Building in Fort Snelling, Minnesota, to convert the building to a high-performance green building ($115 million); and
- modernization of the Edith Green-Wyndell Wyatt Federal Building in Portland, Oregon ($133 million).

The spending plan, including the complete list of projects, is posted at: http://www.gsa.gov/graphics/pbs/American_Recovery_and_Reinvestment_Act_2009.pdf.

On April 14, 2009, GSA awarded a contract for the final phase of the renovation of the Thurgood Marshall Building in New York City, New York. This will complete the modernization of this historic U.S. courthouse. Additional awards have since been made, including over $26 million for construction of the Peace Arch Port of Entry in Blaine, Washington, and $31 million for the Lake Denver Federal Center in Denver, Colorado.

Economic Impact: Creates approximately 154,000 jobs and $27.5 billion of economic activity.

SMITHSONIAN INSTITUTION – $25 MILLION

Recovery Act: Provides $25 million for repair and revitalization of existing Smithsonian Institution facilities.

Distribution: Distributes funds through the Smithsonian Institution's existing administrative processes.

Shovel-Ready Deadlines: The Smithsonian Institution must obligate 100 percent of the funds by September 30, 2010.

Transparency and Accountability Requirements: The Smithsonian Institution must submit a general plan for expenditures of such funds to the Committees on Appropriations within 30 days (March 19, 2009) of enactment of the Recovery Act.[46]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[47]

Recovery Act Implementation: The Smithsonian Institution has announced that the funds will be used as follows:

Arts and Industries Building - Washington, DC ($4.6 million):

- masonry repointing of failed joints to stop the ingress of water; and
- hazardous material removal and selective demolition.

National Zoological Park ($11.4 million):

- fire protection projects at Rock Creek campus (Washington, DC) and Conservation Research Center (Front Royal, Virginia);
- replace roofs at Rock Creek campus and Conservation Research Center;
- replace deteriorated animal-holding facilities at Conservation Research Center; and

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[46] *Id.* § 701.
[47] *Id.* § 1512.

- repair bridges at Rock Creek campus.

Other Smithsonian Projects ($9 million):

- install high-voltage electrical safety improvements at multiple locations on the National Mall (Washington, DC);
- install sewage backflow preventers on potable water lines at multiple locations off the National Mall, including the largest project at the Museum Support Center (Suitland, Maryland);
- install two emergency generators at the Smithsonian Environmental Research Center (Edgewater, Maryland);
- refurbish or replace elevators and escalators at the National Air and Space Museum and National Museum of American History (Washington, DC); and
- temporary/contract support - approximately four personnel.

OMB has approved this apportionment and Smithsonian project managers have finalized independent government estimates of project costs. The Office of Contracting has received the Recovery Act funds to start the acquisition process and pre-solicitation notices have been posted at: https://www.fbo.gov/.

As of June 15, 2009, funds had been obligated for 10 projects, totaling $12.3 million. Smithsonian expects to submit requests for proposals by July 31, 2009, award all contracts by September 30, 2009, and complete all construction by December 31, 2010. For the latest progress information on Smithsonian Recovery Act projects, see: http://www.si.edu/recovery/.

Economic Impact: Creates approximately 700 jobs and $124 million of economic activity.

ECONOMIC DEVELOPMENT ADMINISTRATION – $150 MILLION

Recovery Act: Provides $150 million for EDA's economic development programs, of which not less than $50 million shall be for economic adjustment assistance under section 209 of the Public Works and Economic Development Act of 1965, and up to $50 million may be transferred to federally authorized regional economic development commissions.[48]

Distribution: Distributes funds to local partners through EDA's existing regional allocation and project selection processes. EDA may transfer funds to the Appalachian Regional Commission, the Delta Regional Authority, the Northern Great Plains Regional Authority, the Northern Border Regional Commission, the Southeast Crescent Regional Commission, and the Southwest Border Regional Commission. These Federally authorized regional economic development commissions may assist eligible applicants in submitting applications to EDA, or may seek transfers directly from EDA.

Prioritization: Of the $150 million provided, not less than $50 million must be allocated for economic adjustment assistance under section 209 of the Public Works and Economic Development Act of 1965. EDA will allocate the remaining $100 million to either the Public Works and Economic Development Facilities Program or the Economic Adjustment Assistance Program, depending on demonstrated needs.

With regard to funding for economic adjustment assistance, the Secretary of Commerce shall give priority consideration to areas of the nation that have experienced sudden and severe economic dislocation and job loss due to corporate restructuring.

Shovel-Ready Deadlines: EDA must obligate 100 percent of the funds by September 30, 2010.

Transparency and Accountability Requirements: Each recipient that receives Recovery Act funds from a Federal agency must submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[49]

Recovery Act Implementation: On March 11, 2009, EDA published guidance explaining the requirements of the Recovery Act and EDA's planned process for distributing the funds provided by the Recovery Act. The guidance is posted at: http://www.eda.gov/PDF/FY09%20ARRA%20FFO%20-%20FINAL.pdf.

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[48] *Id.* Title II.
[49] *Id.* § 1512.

Priority consideration will be given to those areas that have experienced sudden and severe economic dislocation and job loss due to corporate restructuring. Funds will be disbursed through EDA's six Regional Offices in the form of grants to States, local government entities, and eligible non-profits to create jobs and generate private sector investment by promoting comprehensive, entrepreneurial, and innovation-based economic development efforts. EDA will work with the federally authorized regional commissions to identify infrastructure and other grant investments that may be eligible for EDA assistance and that EDA will consider as part of its competitive review of prospective ARRA applications.

On April 22, 2009, EDA issued a Recovery Act Spending Plan, detailing how it intends to allocate the $150 million in Recovery Act funding. Within the $150 million total, EDA intends to fund at least $135 million in public works grants, which support the "brick and mortar" infrastructure investments contemplated by the Recovery Act. EDA will give preference to projects that have the potential to quickly stimulate job creation and promote regional economic development, such as investments that support science and technology parks, industrial parks, business incubators, and other investments that spur entrepreneurship and innovation.

In response to the requirement that EDA "give priority consideration to areas of the Nation that have experienced sudden and severe economic dislocation and job loss due to corporate restructuring", EDA has decided to allocate funding to its regional offices using a hybrid of its traditional allocation formula. EDA's proposed allocation drops lagging economic indicators in favor of a single allocation metric, three-month unemployment figures. According to EDA, these are the most contemporary data on unemployment and best represent current economic conditions for the purposes of EDA's allocation. As such, the allocation of funds to EDA's regional offices will be as follows based on the most recent three-month unemployment figures available:

EDA Regional Office	Funding
Philadelphia	$32,903,866
Atlanta	$30,392,752
Denver	$9,237,948
Chicago	$27,749,378
Seattle	$33,473,004
Austin	$13,243,052
Total	$147,000,000

During the week of June 1, 2009, EDA obligated its first four grants totaling $6.97 million, including $2.25 million for storm water drainage and infrastructure improvements to expand the Elk City Industrial Park in Elk City, Oklahoma, and $420,000 for infrastructure improvements at Rockcastle Industrial Park South in Mount Vernon, Kentucky. As of June 15, 2009, EDA had announced seven grants totaling $12.5 million. Another eight grants (totaling $10.9 million) are pending announcement.

As of June 15, 2009, $131 million in projects (of the total $150 million) were in some stage of processing. EDA regional offices continue to develop extensive pipelines of potential Recovery Act projects, which range in size from less than $200,000 to more than $4 million.

<u>Economic Impact</u>: **Creates approximately 4,200 jobs and $744 million of economic activity.**

FEDERAL EMERGENCY MANAGEMENT AGENCY – $210 MILLION

Recovery Act: **Provides $210 million for Firefighter Assistance Grants, for modifying, upgrading, or constructing non-Federal fire stations.**

Distribution: Distributes funds through FEMA's existing competitive grant processes. No grant shall exceed $15 million.

Shovel-Ready Deadlines: FEMA must obligate 100 percent of the funds by September 30, 2010.

Transparency and Accountability Requirements: Each recipient that receives Recovery Act funds from a Federal agency must submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[50]

Recovery Act Implementation: On May 29, 2009, FEMA released guidance for the Firefighter Assistance Grants program. The program is aimed at creating and saving jobs in recession-hit areas and achieving firefighter safety and improved response capability and capacity based on need.

Applications for grants must be submitted by July 10, 2009. Non-Federal Fire Departments and State and local governments that fund/operate fire departments are eligible for these grants. Program Guidance limits funds for each project within a grant application to $5 million. FEMA will begin reviewing applications in late August or early September 2009. FEMA expects to award between 60 and 80 grants and will make these awards in September through December 2009.

Economic Impact: **Creates approximately 5,800 jobs and $1 billion of economic activity.**

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[50] *Id.* § 1512.

Coast Guard – $240 Million

Acquisition, Construction, and Improvements – $98 Million

Recovery Act: Provides $98 million for the Coast Guard's Acquisition, Construction, and Improvements program to fund ready-to-go Coast Guard shore facility repair projects. This funding cannot be used for pre-acquisition survey, design, or construction of a new polar icebreaker.

Distribution: Distributes funds through the Coast Guard's existing administrative processes.

Prioritization: Funds are to be used for shore facilities and aids to navigation facilities; for materials and labor cost increases of priority procurements; and for costs to repair, renovate, assess, or improve vessels.

Shovel-Ready Deadlines: The Coast Guard must obligate 100 percent of the funds by September 30, 2010.

Transparency and Accountability Requirements: The Coast Guard must submit a plan for the expenditure of these funds to the Committees on Appropriations within 45 days (April 3, 2009) of enactment of the Recovery Act.[51]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[52]

Recovery Act Implementation: The Coast Guard has obligated $459,000 for the 378-foot High Endurance Cutter project. Analysis, planning, and preliminary engineering design documentation have been completed on vessel repair/acquisition projects, including the National Security Cutter. Preliminary planning documentation and outlay projections have also been completed on all eight shore infrastructure projects. As of June 15, 2009, the Coast Guard had obligated $7 million for its Sycamore Cordova Housing project.

Economic Impact: Creates approximately 2,700 jobs and $500 million of economic activity.

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[51] *Id.* Title VI.
[52] *Id.* § 1512.

COAST GUARD
BRIDGE ALTERATIONS – $142 MILLION

Recovery Act: Provides $142 million for the Coast Guard's Alteration of Bridges program, which funds the removal or alteration of bridges that are safety hazards or unreasonable obstructions to navigation.

Distribution: Distributes funds through the Coast Guard's existing administrative processes.

Prioritization: The Coast Guard shall award these funds to those bridges that are ready to proceed to construction.

Shovel-Ready Deadlines: The Coast Guard must obligate 100 percent of funds by September 30, 2010.

Transparency and Accountability Requirements: The Coast Guard must submit a plan for the expenditure of these funds to the Committees on Appropriations within 45 days (April 3, 2009) of enactment of the Recovery Act.[53]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[54]

Recovery Act Implementation: The Coast Guard completed bid documents, advertised bid solicitations, and held pre-bid meetings for three bridge alteration projects:

- Mobile Bridge project over the Mobile River in Hurricane, Alabama;
- Burlington Bridge project over the Mississippi River, Iowa; and
- Elgin, Joliet, and Eastern Railway Co. Bridge project over the Illinois Waterway in Divine, Illinois.

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[53] *Id.* Title VI.
[54] *Id.* § 1512.

In the near future, the Coast Guard plans to complete bid documents for the Galveston Bridge project over the Gulf Intercoastal Waterway, Texas.

Economic Impact: Creates approximately 4,000 jobs and $700 million of economic activity.

<u>MARITIME ADMINISTRATION</u>
<u>SMALL SHIPYARD GRANTS – $100 MILLION</u>

<u>Recovery Act:</u> Provides $100 million for grants to small shipyards for capital improvement and worker training as authorized by section 54101 of title 46, United States Code.

<u>Distribution</u>: Distributes funds through the Maritime Administration's existing competitive grant program. The purpose of the grants is to make capital and infrastructure improvements that facilitate the efficiency, cost-effectiveness and quality of domestic ship construction, conversion or repair for commercial and federal government use. This program generally provides 75 percent Federal funds with 25 percent matching funds from the grant recipient. Grant funds may also be used for maritime training programs to foster technical skills and operational productivity.

Of the $100 million, $75 million is reserved for shipyards with 600 employees or fewer, and up to $25 million may be awarded to shipyards with up to 1,200 employees.

<u>Shovel-Ready Deadlines</u>: The Secretary of Transportation shall ensure that funds provided under this program shall be obligated within 180 days of the date of their distribution.

<u>Transparency and Accountability Requirements</u>: Grant recipients must submit periodic reports to the Maritime Administration on the use of Recovery Acts no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by the Maritime Administration and transmitted to Congress.

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[55]

<u>Recovery Act Implementation:</u> Grant applications were due April 20, 2009. The Maritime Administration received 454 grant applications (totaling $1.25 billion). The Administration plans to complete its review of all applications by mid-July 2009 and make awards by August 17, 2009.

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[55] *Id.* § 1512.

For more information, see:
http://www.marad.dot.gov/ships_shipping_landing_page/small_shipyard_grants/small_shipyard_grants.htm?printable=true.

Economic Impact: Creates approximately 2,800 jobs and $500 million of economic activity.

T&I Committee Transparency and Accountability Information by State and Formula Funding under the American Recovery and Reinvestment Act of 2009 (P.L. 111-5) ("Recovery Act")
Submissions Received by T&I Committee (Data Reported as of May 31, 2009)

	Recovery Act Funds Allocated	Recovery Act Funds Obligated	Recovery Act Funds Outlayed	Projects Put Out to Bid	Recovery Act Funds Associated with Projects Put Out to Bid	Projects Under Contract	Recovery Act Funds Associated with Projects Under Contract	Projects in Which Work Has Begun	Recovery Act Funds Associated with Projects in Which Work Has Begun	Completed Projects	Recovery Act Funds Associated with Completed Projects	Direct, On-Project Jobs Created or Sustained	Total Job Hours Created or Sustained	Total Payroll of Job Hours Created or Sustained
Alabama														
Clean Water State Revolving Fund	$44,264,200	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$513,692,083	$126,758,088	$3,472,223	34	$96,936,981	12	$73,216,621	12	$73,216,621	0	$0	0	0	$0
Transit Capital Assistance	$36,500,707	$0	$0	4	$9,425,000	0	$0	0	$0	0	$0	0	0	$0
Total	$594,456,990	$126,758,088	$3,472,223	38	$106,361,981	12	$73,216,621	12	$73,216,621	0	$0	0	0	$0
Alaska														
Clean Water State Revolving Fund	$23,455,000	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$157,774,400	$41,600,611	$1,695	10	$73,195,000	2	$21,442,683	1	$7,700,000	0	$0	4	30	$1,695
Transit Capital Assistance	$37,869,479	$0	$13,943	0	$0	6	$10,187,284	6	$4,284	0	$0	1	138	$5,876
Total	$219,098,879	$41,600,611	$15,638	10	$73,195,000	8	$31,629,967	7	$7,704,284	0	$0	5	168	$7,571
Arizona														
Clean Water State Revolving Fund	$26,469,600	$16,536,412	$0	10	$16,536,412	2	$4,000,000	2	$4,000,000	0	$0	0	0	$0
Fixed Guideway	$640,070	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$353,884,000	$231,565,386	$0	35	$226,932,716	6	$26,637,738	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$101,255,480	$0	$0	7	$32,921,217	7	$32,921,217	7	$32,921,217	0	$0	0	0	$0
Total	$482,249,150	$248,101,798	$0	52	$276,390,345	15	$63,558,955	9	$36,921,217	0	$0	0	0	$0
Arkansas														
Clean Water State Revolving Fund	$25,636,500	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$351,544,468	$136,394,738	$1,031,332	59	$109,220,369	58	$108,156,590	27	$23,828,191	3	$1,560,978	633	20,871	$381,715
Transit Capital Assistance	$20,573,699	$3,292,772	$24,000	13	$6,859,885	8	$5,431,385	3	$2,136,616	1	$3,169,772	0	0	$0
Total	$397,754,667	$139,687,510	$1,055,332	72	$116,080,254	66	$113,587,975	30	$25,964,807	4	$4,730,750	633	20,871	$381,715
California														
Clean Water State Revolving Fund	$283,116,500	$15,695,012	$0	2	$15,695,012	2	$15,695,012	2	$15,695,012	0	$0	71	129,829	$0
Fixed Guideway	$63,214,610	$11,139,749	$0	2	$0	1	$2,954,552	0	$0	0	$0	50	0	$0
Highway Infrastructure	$2,569,568,320	$1,943,909,089	$0	74	$1,690,122,495	2	$106,347,420	2	$106,347,420	0	$0	61	1,301	$51,751
Transit Capital Assistance	$802,795,026	$28,488,752	$2,999,424	56	$248,802,415	38	$112,348,096	36	$122,799,110	1	$69,634	667	199,410	$7,293,126
Total	$3,718,694,456	$1,999,232,602	$2,999,424	134	$1,954,619,922	43	$237,345,080	40	$244,841,542	1	$69,634	849	330,540	$7,344,877
Colorado														
Clean Water State Revolving Fund	$31,347,700	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$753,399	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$329,048,184	$221,958,696	$0	33	$171,967,601	23	$125,293,288	12	$54,674,313	0	$0	65	2,593	$83,068
Transit Capital Assistance	$121,307,240	$0	$0	3	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$482,456,523	$221,958,696	$0	36	$171,967,601	23	$125,293,288	12	$54,674,313	0	$0	65	2,593	$83,068
Connecticut														
Clean Water State Revolving Fund	$48,010,300	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$32,030,396	$493,947	$0	2	$27,030,396	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$302,053,956	$173,992,268	$37,894	19	$174,248,868	6	$78,720,200	7	$10,747	0	$0	0	251	$10,747
Transit Capital Assistance	$117,967,245	$0	$0	3	$75,427,665	0	$0	0	$0	0	$0	0	0	$0
Total	$500,061,897	$174,486,215	$37,894	24	$276,706,929	6	$78,720,200	7	$10,747	0	$0	0	251	$10,747

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For a State/Territory where no row lists the Fixed Guideway program, the State/Territory does not receive Fixed Guideway funds (except for Michigan and Puerto Rico, where the transit grant recipient did not report to the T&I Committee).

	Recovery Act Funds Allocated	Recovery Act Funds Obligated	Recovery Act Funds Outlayed	Projects Put Out to Bid	Recovery Act Funds Associated with Projects Put Out to Bid	Projects Under Contract	Recovery Act Funds Associated with Projects Under Contract	Projects in Which Work Has Begun	Recovery Act Funds Associated with Projects in Which Work Has Begun	Completed Projects	Recovery Act Funds Associated with Completed Projects	Direct, On-Project Jobs Created or Sustained	Total Job Hours Created or Sustained	Total Payroll of Job Hours Created or Sustained
Delaware														
Clean Water State Revolving Fund	$19,239,100	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$121,828,650	$38,549,174	$48,569	21	$80,550,000	19	$11,643,666	19	$11,643,666	0	$0	109	1,575	$56,857
Transit Capital Assistance	$19,000,000	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$160,067,750	$38,549,174	$48,569	21	$80,550,000	19	$11,643,666	19	$11,643,666	0	$0	109	1,575	$56,857
District of Columbia														
Clean Water State Revolving Fund	$19,239,066	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$17,749,826	$0	$0	4	$16,000,000	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$123,500,000	$91,825,959	$0	3	$67,700,000	2	$3,300,000	2	$3,300,000	1	$1,000,000	79	333,312	$7,001,401
Transit Capital Assistance	$184,083,396	$0	$0	20	$135,532,266	0	$0	0	$0	0	$0	0	0	$0
Total	$344,572,288	$91,825,959	$0	27	$219,232,266	2	$3,300,000	2	$3,300,000	1	$1,000,000	79	333,312	$7,001,401
Florida														
Clean Water State Revolving Fund	$132,286,374	$12,458,947	$0	2	$12,458,947	2	$12,458,947	2	$12,458,947	0	$0	0	0	$0
Fixed Guideway	$2,918,660	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$1,346,735,003	$800,630,561	$0	10	$319,400,000	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$206,236,752	$734,932	$3,692,066	38	$22,604,208	39	$19,034,258	35	$12,888,313	1	$124,238	55	26,524	$1,114,013
Total	$1,688,176,789	$813,824,440	$3,692,066	50	$354,463,155	41	$31,493,205	37	$25,347,260	1	$124,238	55	26,524	$1,114,013
Georgia														
Clean Water State Revolving Fund	$66,261,000	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$7,380,854	$0	$0	1	$7,380,854	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$931,585,680	$232,386,699	$939	75	$209,635,869	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$96,158,401	$0	$0	2	$34,860,078	0	$0	0	$0	0	$0	0	0	$0
Total	$1,101,385,935	$232,386,699	$939	78	$251,876,801	0	$0	0	$0	0	$0	0	0	$0
Guam														
Highway Infrastructure	$18,000,000	$18,000,000	$0	5	$18,000,000	0	$0	0	$0	0	$0	0	0	$0
Total	$18,000,000	$18,000,000	$0	5	$18,000,000	0	$0	0	$0	0	$0	0	0	$0
Hawaii														
Clean Water State Revolving Fund	$30,352,300	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$234,793	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$125,746,380	$45,634,972	$0	9	$45,634,972	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$43,582,493	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$199,935,966	$45,634,972	$0	9	$45,634,972	0	$0	0	$0	0	$0	0	0	$0
Idaho														
Clean Water State Revolving Fund	$19,239,100	$0	$0	1	$3,160,000	0	$0	1	$0	0	$0	0	0	$0
Highway Infrastructure	$170,432,598	$141,766,547	$372,448	8	$141,203,547	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$18,398,968	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$208,070,666	$141,766,547	$372,448	9	$144,363,547	0	$0	1	$0	0	$0	0	0	$0
Illinois														
Clean Water State Revolving Fund	$177,243,100	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$95,534,850	$6,277,519	$555,999	4	$17,509,245	4	$17,509,245	4	$38,931,726	0	$0	416	235,272	$10,490,810
Highway Infrastructure	$935,592,704	$627,093,000	$16,195,242	256	$670,470,783	152	$334,817,137	88	$219,276,686	0	$0	194	74,153	$2,500,291
Transit Capital Assistance	$365,568,604	$78,565,719	$0	19	$261,857,732	10	$234,149,398	5	$200,826,917	0	$0	1,169	583,040	$30,024,853
Total	$1,573,939,258	$711,936,238	$16,751,241	279	$949,837,760	166	$586,475,780	97	$459,035,329	0	$0	1,779	892,465	$43,015,954

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	Recovery Act Funds Allocated	Recovery Act Funds Obligated	Recovery Act Funds Outlayed	Projects Put Out to Bid	Recovery Act Funds Associated with Projects Put Out to Bid	Projects Under Contract	Recovery Act Funds Associated with Projects Under Contract	Projects in Which Work Has Begun	Recovery Act Funds Associated with Projects in Which Work Has Begun	Completed Projects	Recovery Act Funds Associated with Completed Projects	Direct, On-Project Jobs Created or Sustained	Total Job Hours Created or Sustained	Total Payroll of Job Hours Created or Sustained
Indiana														
Clean Water State Revolving Fund	$94,447,500	$11,017,000	$0	6	$11,017,000	2	$2,195,000	1	$1,060,000	0	$0	86	141	$5,356
Fixed Guideway	$6,412,487	$0	$0	1	$6,412,487	1	$6,412,487	0	$0	0	$0	0	0	$0
Highway Infrastructure	$657,967,707	$156,807,251	$0	165	$156,807,251	147	$43,826,162	100	$112,981,089	0	$0	1,185	40,232	$1,120,110
Transit Capital Assistance	$65,595,804	$4,095,327	$0	6	$13,285,186	5	$12,989,186	2	$2	0	$0	5	10,400	$260,000
Total	$824,423,498	$171,919,578	$0	178	$187,521,924	155	$65,422,835	103	$114,041,091	0	$0	1,276	50,773	$1,385,466
Iowa														
Clean Water State Revolving Fund	$53,040,000	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$358,162,431	$274,077,277	$16,699,411	139	$274,077,277	79	$198,396,652	42	$171,411,764	0	$0	1,698	85,165	$2,204,183
Transit Capital Assistance	$33,734,091	$15,156,406	$0	35	$28,951,553	25	$12,405,883	4	$3,035,858	0	$0	1	20	$2,147
Total	$444,936,522	$289,233,683	$16,699,411	174	$303,028,830	104	$210,802,535	46	$174,447,622	0	$0	1,699	85,185	$2,206,330
Kansas														
Clean Water State Revolving Fund	$35,374,185	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$347,817,167	$198,263,540	$311,054	8	$198,263,540	7	$196,263,540	3	$91,180,000	0	$0	0	0	$0
Transit Capital Assistance	$25,187,018	$0	$0	12	$6,302,590	12	$6,302,590	12	$6,302,590	0	$0	0	0	$0
Total	$408,378,370	$198,263,540	$311,054	20	$204,566,130	19	$202,566,130	15	$97,482,590	0	$0	0	0	$0
Kentucky														
Clean Water State Revolving Fund	$50,381,900	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$421,094,991	$218,645,078	$0	13	$161,246,110	5	$79,665,318	3	$47,213,950	0	$0	123	6,336	$212,112
Transit Capital Assistance	$31,390,960	$26,905,614	$30,800	39	$10,172,150	24	$8,385,926	23	$8,090,921	0	$0	38	1,520	$27,362
Total	$502,867,851	$245,550,692	$30,800	52	$171,418,260	29	$88,051,244	26	$55,304,871	0	$0	161	7,856	$239,474
Louisiana														
Clean Water State Revolving Fund	$43,081,434	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$2,425,300	$0	$80,000	0	$80,000	1	$80,000	1	$80,000	0	$0	0	0	$0
Highway Infrastructure	$429,859,427	$213,401,418	$0	37	$212,531,478	16	$86,384,453	2	$71,848,587	0	$0	0	0	$0
Transit Capital Assistance	$40,658,907	$14,877,500	$1,360,983	34	$16,994,758	23	$8,622,382	14	$1,360,983	1	$3,142	253	283,550	$2,917,631
Total	$516,025,068	$228,278,918	$1,440,983	71	$229,606,236	40	$95,086,835	17	$73,289,570	1	$3,142	253	283,550	$2,917,631
Maine														
Clean Water State Revolving Fund	$30,336,800	$2,345,000	$0	9	$9,004,000	6	$5,615,000	6	$0	0	$0	0	0	$0
Highway Infrastructure	$130,752,032	$86,769,168	$10,029,041	65	$85,179,116	50	$81,250,523	30	$67,397,489	0	$0	757	60,311	$1,430,618
Transit Capital Assistance	$13,266,105	$0	$0	3	$13,266,105	0	$0	0	$0	0	$0	0	0	$0
Total	$174,354,937	$89,114,168	$10,029,041	77	$107,449,221	56	$86,865,523	36	$67,397,489	0	$0	757	60,311	$1,430,618
Maryland														
Clean Water State Revolving Fund	$94,784,600	$0	$0	4	$25,167,000	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$15,176,485	$0	$0	3	$5,176,485	2	$2,377,914	1	$400,000	0	$0	61	2,153	$66,672
Highway Infrastructure	$431,037,000	$219,647,795	$1,698,062	75	$219,716,735	62	$152,013,977	30	$78,245,240	0	$0	148	6,966	$155,735
Transit Capital Assistance	$119,406,194	$0	$0	13	$83,519,328	14	$85,881,996	5	$30,281,668	0	$0	238	14,469	$458,045
Total	$660,404,279	$219,647,795	$1,698,062	95	$333,579,548	78	$240,273,887	36	$108,926,908	0	$0	447	23,588	$680,452
Massachusetts														
Clean Water State Revolving Fund	$133,037,188	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$51,513,648	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$437,885,000	$71,856,195	$0	19	$60,846,125	18	$60,846,125	18	$60,846,125	0	$0	17	177	$8,987
Transit Capital Assistance	$235,510,471	$15,684,428	$131,515	14	$13,383,649	11	$2,474,166	9	$1,094,166	0	$0	8	873	$73,023
Total	$857,946,307	$87,540,623	$131,515	33	$74,229,774	29	$63,320,291	27	$61,940,291	0	$0	25	1,050	$82,010

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Michigan														
Clean Water State Revolving Fund	$168,509,000	$37,168,000	$1,010,164	15	$42,812,000	6	$32,236,000	6	$32,236,000	0	$0	0	0	$0
Highway Infrastructure	$847,205,000	$270,705,037	$1,847,415	115	$250,247,264	51	$131,406,737	13	$92,398,069	0	$0	433	13,500	$448,306
Transit Capital Assistance	$105,449,288	$0	$0	11	$27,996,967	3	$2,977,520	1	$80,000	0	$0	2	41	$1,184
Total	$1,121,163,288	$307,873,037	$2,857,579	141	$321,056,231	60	$166,620,257	20	$124,714,069	0	$0	435	13,541	$449,490
Minnesota														
Clean Water State Revolving Fund	$73,031,000	$0	$0	16	$36,000,000	0	$0	8	$18,000,000	0	$0	0	0	$0
Fixed Guideway	$1,851,573	$0	$0	1	$1,851,573	1	$1,851,573	0	$0	0	$0	0	0	$0
Highway Infrastructure	$502,284,177	$324,267,900	$1,961,768	82	$292,647,783	47	$157,348,703	28	$107,613,411	2	$125,468	124	6,646	$168,352
Transit Capital Assistance	$92,241,542	$0	$0	3	$49,524,702	3	$49,524,702	1	$29,317,193	0	$0	0	0	$0
Total	$668,408,292	$324,267,900	$1,961,768	102	$380,024,058	51	$208,724,978	37	$154,930,604	2	$125,468	124	6,646	$168,352
Mississippi														
Highway Infrastructure	$354,564,343	$274,581,278	$0	51	$226,901,823	27	$111,433,565	13	$86,937,000	0	$0	524	50,696	$335,606
Transit Capital Assistance	$20,300,000	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$374,864,343	$274,581,278	$0	51	$226,901,823	27	$111,433,565	13	$86,937,000	0	$0	524	50,696	$335,606
Missouri														
Clean Water State Revolving Fund	$109,739,200	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$1,289,449	$0	$0	0	$0	0	$0	0	$0	0	$0	8	220	$12,086
Highway Infrastructure	$637,121,984	$322,504,000	$4,773,809	120	$302,522,504	91	$176,769,070	26	$75,284,254	14	$4,317,332	763	27,672	$939,801
Transit Capital Assistance	$91,683,858	$16,332,833	$0	20	$16,264,827	20	$16,264,827	10	$2,406,657	0	$0	16	938	$51,590
Total	$839,834,491	$338,836,833	$4,773,809	140	$318,787,331	111	$193,033,897	36	$77,690,911	14	$4,317,332	787	28,830	$1,003,477
Montana														
Clean Water State Revolving Fund	$19,239,100	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$211,793,391	$81,980,176	$58,825	46	$77,473,676	24	$32,011,706	18	$47,480,100	0	$0	8	1,523	$32,329
Transit Capital Assistance	$15,611,710	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$246,644,201	$81,980,176	$58,825	46	$77,473,676	24	$32,011,706	18	$47,480,100	0	$0	8	1,523	$32,329
Nebraska														
Clean Water State Revolving Fund	$20,045,000	$0	$0	6	$8,862,500	0	$0	4	$0	1	$150,000	0	0	$0
Highway Infrastructure	$235,589,279	$101,648,487	$0	26	$99,046,615	24	$78,012,320	24	$77,698,693	0	$0	113	2,394	$45,942
Transit Capital Assistance	$23,790,610	$7,897,686	$44,504	9	$7,981,190	2	$7,936,686	9	$7,981,190	7	$44,504	5	477	$12,934
Total	$279,424,889	$109,546,173	$44,504	41	$115,890,305	26	$85,949,006	37	$85,679,883	8	$194,504	118	2,871	$58,876
Nevada														
Clean Water State Revolving Fund	$19,239,066	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$201,352,460	$54,748,761	$63,039	9	$54,748,761	6	$34,561,463	0	$0	0	$0	44	2,559	$75,844
Transit Capital Assistance	$49,463,770	$0	$0	3	$18,011,520	1	$3,679,799	1	$3,679,799	0	$0	18	1,890	$73,586
Total	$270,055,296	$54,748,761	$63,039	12	$72,760,281	7	$38,241,262	1	$3,679,799	0	$0	62	4,449	$149,430
New Hampshire														
Clean Water State Revolving Fund	$39,163,900	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$129,440,556	$89,381,421	$0	17	$88,202,921	14	$77,613,241	14	$77,613,241	0	$0	457	11,429	$266,184
Transit Capital Assistance	$6,280,715	$0	$0	1	$1,529,000	0	$0	0	$0	0	$0	0	0	$0
Total	$174,885,171	$89,381,421	$0	18	$89,731,921	14	$77,613,241	14	$77,613,241	0	$0	457	11,429	$266,184

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New Jersey														
Clean Water State Revolving Fund	$160,146,855	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$73,679,571	$0	$10,595,000	2	$26,979,571	0	$0	1	$22,000,000	0	$0	242	166,048	$4,386,566
Highway Infrastructure	$651,774,480	$338,393,834	$111,975	24	$338,393,834	9	$142,131,675	24	$338,393,834	0	$0	221	3,014	$137,612
Transit Capital Assistance	$355,498,313	$0	$10,084,000	7	$190,094,313	3	$5,601,000	4	$214,304,000	0	$0	228	112,532	$2,980,819
Total	$1,241,099,219	$338,393,834	$20,790,975	33	$555,467,718	12	$147,732,675	29	$574,697,834	0	$0	691	281,594	$7,504,997
New Mexico														
Clean Water State Revolving Fund	$19,239,100	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$252,644,377	$143,393,729	$0	9	$14,339,379	6	$143,393,729	6	$72,900,000	0	$0	0	0	$0
Transit Capital Assistance	$27,518,452	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$299,401,929	$143,393,729	$0	9	$14,339,379	6	$143,393,729	6	$72,900,000	0	$0	0	0	$0
New York														
Clean Water State Revolving Fund	$432,564,200	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$254,817,807	$0	$0	6	$254,410,000	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$1,120,684,723	$511,986,586	$292,434	89	$303,762,947	27	$87,279,008	22	$61,208,008	0	$0	27	1,379	$48,708
Transit Capital Assistance	$1,056,665,545	$0	$2,890,593	31	$710,387,928	14	$77,141,338	11	$81,853,374	1	$25,000	342	25,548	$1,390,282
Total	$2,864,732,275	$511,986,586	$3,183,027	126	$1,268,560,875	41	$164,420,346	33	$143,061,382	1	$25,000	369	26,927	$1,438,990
North Carolina														
Highway Infrastructure	$735,526,684	$451,738,870	$1,863,630	55	$359,878,375	40	$221,670,875	10	$59,974,964	0	$0	10	18,684	$379,515
Transit Capital Assistance	$89,805,734	$0	$0	3	$2,919,000	3	$2,919,000	2	$2,902,500	0	$0	0	0	$0
Total	$825,332,418	$451,738,870	$1,863,630	58	$362,797,375	43	$224,589,875	12	$62,877,464	0	$0	10	18,684	$379,515
North Dakota														
Highway Infrastructure	$170,126,497	$90,954,639	$570,540	62	$90,674,182	12	$53,555,328	2	$29,832,611	0	$0	216	13,220	$294,748
Transit Capital Assistance	$10,997,089	$0	$1,738	10	$4,492,247	6	$1,914,277	1	$1,738	0	$0	5	24	$1,663
Total	$181,123,586	$90,954,639	$572,278	72	$95,166,429	18	$55,469,605	3	$29,834,349	0	$0	221	13,244	$296,411
Northern Marianas														
Highway Infrastructure	$4,500,000	$450,000	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$4,500,000	$450,000	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Ohio														
Clean Water State Revolving Fund	$220,623,100	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$11,182,724	$0	$0	6	$10,278,576	5	$4,405,699	5	$4,035,669	2	$5,042	8	145	$5,042
Highway Infrastructure	$928,877,030	$176,431,776	$91	123	$176,431,776	22	$19,057,223	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$164,269,076	$950,000	$1,411,706	49	$63,513,482	20	$46,744,659	19	$39,801,895	2	$597,463	333	9,789	$234,578
Total	$1,324,951,930	$177,381,776	$1,411,797	178	$250,223,834	47	$70,207,581	24	$43,837,564	4	$602,505	341	9,934	$239,620
Oklahoma														
Clean Water State Revolving Fund	$31,662,100	$2,934,696	$0	5	$4,562,696	4	$2,934,696	0	$0	0	$0	0	0	$0
Highway Infrastructure	$464,655,225	$380,108,785	$6,855,610	119	$349,466,261	112	$321,597,770	21	$83,272,184	0	$0	838	37,230	$624,562
Transit Capital Assistance	$26,944,788	$0	$0	6	$6,088,560	5	$5,638,560	4	$4,870,560	0	$0	21	2,972	$63,408
Total	$523,262,113	$383,043,481	$6,855,610	130	$360,117,517	121	$330,171,026	25	$88,142,744	0	$0	859	40,202	$687,970

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	Recovery Act Funds Allocated	Recovery Act Funds Obligated	Recovery Act Funds Outlayed	Projects Put Out to Bid	Recovery Act Funds Associated with Projects Put Out to Bid	Projects Under Contract	Recovery Act Funds Associated with Projects Under Contract	Projects in Which Work Has Begun	Recovery Act Funds Associated with Projects in Which Work Has Begun	Completed Projects	Recovery Act Funds Associated with Completed Projects	Direct, On-Project Jobs Created or Sustained	Total Job Hours Created or Sustained	Total Payroll of Job Hours Created or Sustained
Oregon														
Clean Water State Revolving Fund	$44,271,018	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$1,125,728	$0	$0	0	$0	0	$0	1	$1,125,728	0	$0	0	0	$0
Highway Infrastructure	$310,225,676	$155,135,768	$61,635	47	$120,197,650	43	$93,912,697	33	$58,972,107	0	$0	857	11,698.50	$404,872
Transit Capital Assistance	$87,646,876	$0	$0	22	$32,694,570	13	$28,389,570	11	$28,264,570	0	$0	95	7,147	$282,016
Total	$443,269,298	$155,135,768	$61,635	69	$152,892,220	56	$122,302,267	45	$88,362,405	0	$0	952	18,846	$686,888
Pennsylvania														
Clean Water State Revolving Fund	$155,237,800	$93,678,317	$0	9	$27,927,282	0	$0	0	$0	0	0	0	0	$0
Fixed Guideway	$84,144,467	$65,662,084	$0	13	$58,846,714	8	$69,243,490	5	$29,693,227	0	0	296	1,011	$46,964
Highway Infrastructure	$1,026,429,012	$567,043,778	$3,889,895	173	$597,798,977	104	$309,045,969	67	$202,180,941	0	0	815	35,387	$989,663
Transit Capital Assistance	$256,317,733	$82,203,438	$0	36	$125,586,758	20	$152,060,648	9	$75,679,998	0	0	409	9,726	$394,101
Total	$1,522,129,012	$808,587,617	$3,889,895	231	$810,159,731	132	$530,350,107	81	$307,554,166	0	$0	1,520	46,124	$1,430,728
Puerto Rico														
Highway Infrastructure	$105,000,000	$19,200,821	$0	5	$43,650,821	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$30,916,202	$0	$0	5	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$135,916,202	$19,200,821	$0	10	$43,650,821	0	$0	0	$0	0	$0	0	0	$0
Rhode Island														
Clean Water State Revolving Fund	$26,314,600	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$713,273	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$137,095,725	$90,624,820	$1,209,172	30	$69,419,093	17	$29,903,950	16	$29,630,251	0	$0	352	14,568	$636,320
Transit Capital Assistance	$38,001,658	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$202,125,256	$90,624,820	$1,209,172	30	$69,419,093	17	$29,903,950	16	$29,630,251	0	$0	352	14,568	$636,320
South Carolina														
Highway Infrastructure	$419,594,280	$188,986,912	$8,356	197	$188,986,912	42	$110,654,804	6	$8,356	0	$0	0	0	$0
Transit Capital Assistance	$23,657,828	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$443,252,108	$188,986,912	$8,356	197	$188,986,912	42	$110,654,804	6	$8,356	0	$0	0	0	$0
South Dakota														
Clean Water State Revolving Fund	$19,239,100	$19,239,100	$2,057,000	0	$2,057,000	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$183,027,359	$85,973,423	$2,608,567	14	$84,300,073	12	$81,811,965	11	$79,165,982	0	$0	627	42,387	$928,343
Transit Capital Assistance	$7,372,825	$0	$0	26	$2,537,050	25	$2,187,050	25	$2,187,050	0	$0	0	0	$0
Total	$209,639,284	$105,212,523	$4,665,567	40	$88,894,123	37	$83,999,015	36	$81,353,032	0	$0	627	42,387	$928,343
Tennessee														
Clean Water State Revolving Fund	$77,168,500	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$28,040	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$572,201,043	$414,499,014	$715,979	196	$473,435,521	106	$214,714,362	22	$57,636,700	0	$0	248	16,377	$317,932
Transit Capital Assistance	$73,216,802	$0	$0	12	$28,042,655	7	$17,175,652	4	$13,181,452	0	$0	15	1,012	$15,545
Total	$722,614,385	$414,499,014	$715,979	208	$501,478,176	113	$231,890,014	26	$70,818,152	0	$0	263	17,389	$333,477
Texas														
Clean Water State Revolving Fund	$179,121,900	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$2,609,607	$300,940	$0	0	$0	1	$300,940	1	$300,940	0	$0	10	5,640	$225,500
Highway Infrastructure	$1,856,208,684	$895,778,285	$0	246	$398,085,612	139	$285,655,896	39	$51,040,590	0	$0	23	285	$7,038
Transit Capital Assistance	$336,436,574	$105,278,505	$35,642,367	16	$116,414,415	13	$158,417,303	13	$153,151,282	2	$12,008,975	694	717,581	$25,196,974
Total	$2,374,376,765	$1,001,357,730	$35,642,367	262	$514,500,027	153	$444,374,139	53	$204,492,812	2	$12,008,975	727	723,506	$25,429,513

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	Recovery Act Funds Allocated	Recovery Act Funds Obligated	Recovery Act Funds Outlayed	Projects Put Out to Bid	Recovery Act Funds Associated with Projects Put Out to Bid	Projects Under Contract	Recovery Act Funds Associated with Projects Under Contract	Projects in Which Work Has Begun	Recovery Act Funds Associated with Projects in Which Work Has Begun	Completed Projects	Recovery Act Funds Associated with Completed Projects	Direct, On-Project Jobs Created or Sustained	Total Job Hours Created or Sustained	Total Payroll of Job Hours Created or Sustained
Utah														
Clean Water State Revolving Fund	$20,969,000	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$156,554,195	$1,434,449,898	$1,179,663	61	$1,434,449,898	29	$88,113,576	19	$68,174,890	1	$2,100,000	2,041	20,493	$832,346
Transit Capital Assistance	$48,333,398	$0	$0	1	$15,000,000	0	$0	0	$0	0	$0	0	0	$0
Total	$225,856,593	$1,434,449,898	$1,179,663	62	$1,449,449,898	29	$88,113,576	19	$68,174,890	1	$2,100,000	2,041	20,493	$832,346
Vermont														
Clean Water State Revolving Fund	$19,239,100	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$125,791,291	$44,806,569	$6,647,044	20	$44,806,569	19	$43,486,411	10	$27,612,867	0	$0	469	23,641	$524,918
Transit Capital Assistance	$5,680,572	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$150,710,963	$44,806,569	$6,647,044	20	$44,806,569	19	$43,486,411	10	$27,612,867	0	$0	469	23,641	$524,918
Virginia														
Clean Water State Revolving Fund	$81,013,400	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$437,148	$0	$0	1	$437,148	1	$437,148	0	$0	0	$0	0	0	$0
Highway Infrastructure	$328,022,353	$127,885,933	$0	29	$172,129,435	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$55,153,488	$0	$0	7	$21,004,228	6	$5,704,228	6	$5,533,415	0	$0	103	214,429	$5,072,450
Total	$464,626,389	$127,885,933	$0	37	$193,570,811	7	$6,141,376	6	$5,533,415	0	$0	103	214,429	$5,072,450
Virgin Islands														
Clean Water State Revolving Fund	$2,060,000	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$18,000,000	$5,748,529	$0	2	$5,748,529	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$1,284,112	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$21,344,112	$5,748,529	$0	2	$5,748,529	0	$0	0	$0	0	$0	0	0	$0
Washington														
Clean Water State Revolving Fund	$68,151,900	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$6,699,276	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$492,240,609	$315,954,385	$1,684,685	73	$254,298,158	30	$72,291,223	12	$32,624,431	0	$0	695	31,584	$1,315,273
Transit Capital Assistance	$87,156,397	$45,476,391	$1,016,922	19	$39,719,550	14	$38,374,671	8	$24,308,761	1	$1,020,019	58	30,251	$1,137,201
Total	$654,248,182	$361,430,776	$2,701,607	92	$294,017,708	44	$110,665,894	20	$56,933,192	1	$1,020,019	753	61,835	$2,452,474
West Virginia														
Clean Water State Revolving Fund	$61,092,100	$4,336,388	$96,944	10	$20,288,054	1	$1,938,888	1	$1,938,888	0	$0	24	362	$15,263
Fixed Guideway	$309,339	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$210,852,000	$115,189,000	$1,825,455	57	$101,668,000	25	$33,862,000	25	$37,424,000	0	$0	273	10,628	$304,285
Transit Capital Assistance	$18,366,136	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$290,619,575	$119,525,388	$1,922,399	67	$121,956,054	26	$35,800,888	26	$39,362,888	0	$0	297	10,990	$319,548
Wisconsin														
Clean Water State Revolving Fund	$105,948,300	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$243,232	$0	$0	1	$243,232	1	$243,232	0	$0	0	$0	0	0	$0
Highway Infrastructure	$529,111,915	$321,392,706	$27,782	117	$321,392,705	76	$168,380,451	7	$29,826,399	0	$0	159	1,033	$30,221
Transit Capital Assistance	$53,566,677	$0	$779,603	2	$9,287,302	2	$8,807,302	0	$0	0	$0	0	0	$0
Total	$688,870,124	$321,392,706	$807,385	120	$330,923,239	79	$177,430,985	7	$29,826,399	0	$0	159	1,033	$30,221
Wyoming														
Clean Water State Revolving Fund	$19,239,100	$18,609,107	$0	2	$2,387,757	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$157,616,058	$134,423,163	$0	45	$134,423,163	46	$134,423,163	38	$91,746,580	0	$0	58	8,660	$184,982
Transit Capital Assistance	$9,300,399	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$186,155,557	$153,032,270	$0	47	$136,810,920	46	$134,423,163	38	$91,746,580	0	$0	58	8,660	$184,982

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HEARING ON RECOVERY ACT: 120-DAY PROGRESS REPORT FOR TRANSPORTATION PROGRAMS

House of Representatives,

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
WASHINGTON, DC.

The Committee met, pursuant to call, at 11:00 a.m., in Room 2167, Rayburn House Office Building, the Honorable James L. Oberstar [Chairman of the Committee] presiding.

Mr. OBERSTAR. The Committee on Transportation and Infrastructure will come to order. This is the second in the series of continuing oversight hearings that I committed us to undertake at the outset of the Recovery Act.

In fact, in December of 2007, I proposed an initiative to get the economy moving again with programs under the jurisdiction of this Committee. Actually, we had bipartisan initiative in this Committee to move things forward. Of course, the Administration at that time wasn't keen on doing that. It seems that not much has changed. The current Administration is not much interested in moving a six year transportation bill. But we are ahead of them.

As we drafted the Transportation and Infrastructure Committee's portions of the American Recovery Act, I set forth standards that there would be accountability, transparency, and reporting; that projects should be equitably distributed throughout the State; and that priority consideration should be given to the areas of highest unemployment as measured by the Economic Development Administration's monthly reports on areas of high unemployment throughout the Country.

We committed to openness, transparency, and accountability. This second of the hearings carries through on that commitment. It is hard to believe that just 120 days ago, the bill was signed into law.

I have to give great credit to the Federal Highway Administration, as well as to the Department of Transportation overall. Today's hearing, by the way, is only on the DOT portions of our Recovery Act provisions. We will have another hearing after the July recess on wastewater treatment and drinking water infrastructure. The GSA, the Coast Guard, and others will report to us in that second hearing.

There was a report in a newspaper, there were several reports, actually, that sort of misstates or misunderstands the way these Federal programs work. There is a commentary that States "have received only $132 million of the Stimulus package's $27.5 billion in road construction funding." That is accurate but it does not accurately state the issue. States have been reimbursed for $132 million.

The Stimulus program works just like the regular Federal Aid Highway Program. States are notified by the Federal Highway Administration of their allocation. State DOTs, to be very precise about it, then advertise for bids, invite bids, and evaluate the bids as they come in. Then they award bids. The contractor begins work and bills the State. The State then bills the Federal Highway Administration. The Federal Highway Administration reimburses the State against submitted vouchers. That is how it has always worked.

A good comparison would be if you are hired on at a pay of $50,000. When your first month's pay is one twelfth of that amount, $4,000 let us say, you don't complain that you didn't get paid. You are paid for that first month's work. States don't get their entire allocation all at one time. They are paid against their vouchers for the work completed incrementally by contractors.

Actually, all of the $27 billion was allocated by the Federal Highway Administration. States were told what their respective apportionments would be under the formula because all of the money went out by the existing Federal Aid Highway formula. The States then began their processes.

Now, the reality is that there are 4,366 projects that have been approved from all States, three of the four territories, and the District of Columbia. These represent $14.4 billion or 54 percent of the highway funds in the Recovery Act. As of May 31, 2009 the date of reporting to us, 4,098 projects have been put out to bid. There are signed contracts on 2,294 projects totaling a value of $6.5 billion. Work is underway on 1,243 of those projects and there are 21,000 on site jobs.

The next report that we receive for the next 30 days will follow the trail and will go upstream to the supply chain. I think today we will hear from the sand and gravel pit operators that, in anticipation of the money, called people back to work. They reopened gravel pits and aggregate operations in anticipation.

Some of the work of the Recovery is ahead of the schedule. The numbers aren't showing up in the accounting. Others follow as the contracts are signed and construction crews are out on the job sites. If we continue at this pace, I think we will be able to see by the end of September a quarter of a million construction jobs underway.

The purpose of this hearing is to hear the reports from each of the modal Administrators and also to hear of any obstacles or difficulties in the way of moving the funding out into the stream. I am confident that this program is off to a fast and a good start.

I think there are other sectors like the Corps of Engineers where work is slower. They didn't get their allocation early on, as early as Highway and Transit did. Wastewater treatment didn't get their funding as early on as they should have. We will hear about that in the first week after the July recess.

I know in my own State of Minnesota, the State Revolving Loan Fund Administrators have taken their $123 million wastewater treatment and drinking water treatment funding and leveraged it into a $502 million program. They are moving ahead with projects all throughout the State. There are towns that did not have a sewer system that are now underway building a sewer system. Others had only ponds and are now putting in treatment facilities.

So there are going to be some very, very exciting success stories as we move into the next phase. I withhold any further comment at this time and yield to the distinguished gentleman from Florida, my partner Mr. Mica.

Mr. MICA. I thank the Chairman, also for our mutual efforts to try to hold everybody's feet to the fire on Congress's intent to get people working and get some of the Stimulus money out.

For our Committee, of course when we passed the $787 billion Stimulus package, most folks thought that 90 percent, 80 percent, 70 percent of that would be for infrastructure. They thought that we would deal with our Nation's crumbling highways, bridges, ports, airports, and the roads they go over daily and that they would see dramatic improvements. As it turned out, Mr. Oberstar and I were only able to get about 7 percent of that entire package for infrastructure. One of the reasons we couldn't get it was because—it was the CBO that scored it—they said that they could only get out $63 billion in the time allotted.

Mr. OBERSTAR. Would the gentleman yield?

Mr. MICA. Yes.

Mr. OBERSTAR. They actually said we could only spend out at a rate of 2.4 percent. They were wrong.

Mr. MICA. Okay. Well, in any event, we got an agreement to get out $63 billion, I think, under our purview, which is a small percentage of the total package.

One of my concerns then, one of my concerns today, and one of my concerns for the future is the problem of Government red tape, Government bureaucracy, and Government hoops. Now, we tried to send the money to the States to distribute it in an orderly fashion. Our intent was not to pick project winners and losers, right, Mr. Oberstar, but to do it in an orderly fashion. The problem is we are getting strangled again with Government red tape, with bureaucracy.

I prepared a little Minority report. This is our 120 day report. I asked our staff to put together where the money is. Let us follow the money. Well, we had $48 billion given to the Department of Transportation. As of May 29th, the amount obligated was $15.7 billion. I have gotten two update reports. One was the end of May, the first day of June. We only had $154 million in outlay, in real work being done, out of $48 billion. I have the latest update, and we will probably get this from the Administrator today, of $369 million. Folks, that is just pennies on the dollar, fractions of a penny on a dollar of what we have made available.

Now, don't say that Mica is saying that we are mired in red tape. Let me just give you a sampling of commentary that I have, part from the public record. Norwalk, Connecticut Mayor Richard Moccia said after a Mayors' conference, "We really need to talk about eliminating some of the bureaucratic things that Washington forces on the States." He is talking about why he can't move forward with the stimulus package.

Missouri DOT Director Pete Rahn, this is what he said, "Federal requirements have been taken to a new level. We are going to have to dedicate additional staff, even, to do the record keeping and auditing required under these new procedures." The Madison, I guess this is Madison, Wisconsin, MPO informed their locality about the difficulty in getting money disbursed for projects. "Ironically, it won't do much for job creation this year because the American Recovery and Reinvestment Act requires piles of red tape to get Federal funding and it will delay people going to work for a year."

Now, I am just giving you a small sampling of what they are telling us as far as the difficulty in getting people to work. I have been home, folks. I have got a lot of folks hurting. Florida just went over 10 percent into double digit unemployment. Nationally, we are now at 9.4 percent. I have one county with 15 percent unemployment. Not one person asked me to come to Washington and pass more red tape. People want jobs and they want them now.

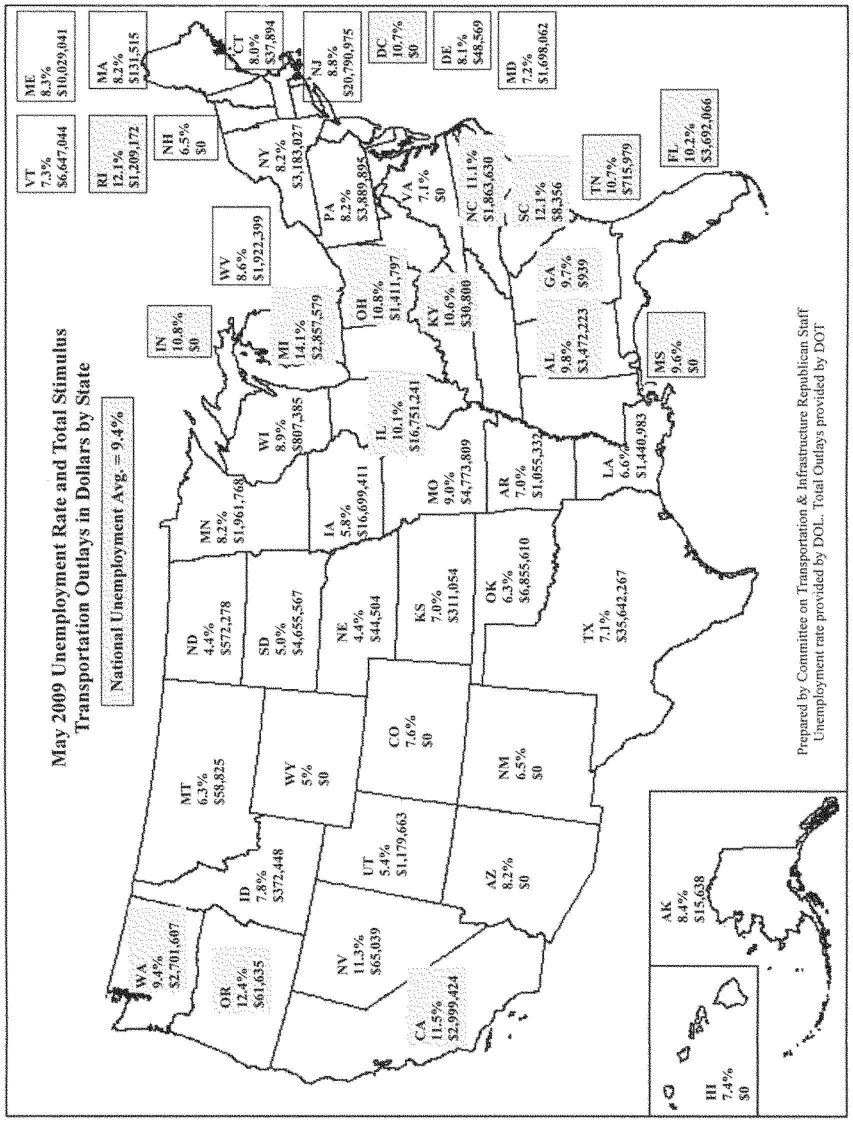
Finally, in this report, and actually it is not included in the back of the report but I think we have distributed these to Members, we have taken the figures provided by DOT. You can see the outlays, the unemployment rate in each of the States, and also the amount of money again that has been expended. What I did on this particular chart here, these are the top ten highest unemployment States including the District of Columbia. It shows the amount of outlay as of June 1st on this particular one, $11 million.

Folks, this is pitiful that we cannot get people working, that we can't get this Stimulus money out. We are tied up in red tape and bureaucracy. We have created that. So we have got to do something, Mr. Oberstar and Members of this Committee, to figure out a way to get people working the jobs. We have got to cut the red tape right now under Stimulus and in the long term under the bill that is under consideration for reauthorization for the next six years.

I thank our witnesses. I look forward to hearing from them. Some of them have done an excellent job. Mr. Babbitt is going to report on successes from FAA. I know they are trying but their main constraint, their main problem, you guys know it, and there are a couple of gals that are not speaking, but you all know it, the main problem is right here: Congress. So hopefully we can figure out a way to help you do your job and get this money out quicker and get people to work faster.

I yield back the balance of my time.

[The referenced information follows:]


May 2009 Unemployment Rate and Total Stimulus
Transportation Outlays in Dollars by State
National Unemployment Avg. = 9.4%
ME 8.3% $10,029,041
VT 7.3% $6,647,044
MA 8.2% $131,515
RI 12.1% $1,209,172
NH 6.5% $0
CT 8.0% $37,894
NJ 8.8% $20,790,975
DC 10.7% $0
DE 8.1% $48,569
MD 7.2% $1,698,062
NY 8.2% $3,183,027
PA 8.2% $3,889,895
VA 7.1% $0
NC 11.1% $1,863,630
SC 12.1% $8,356
TN 10.7% $715,979
FL 10.2% $3,692,066
WV 8.6% $1,922,399
OH 10.8% $1,411,797
KY 10.6% $30,800
GA 9.7% $939
AL 9.8% $3,472,223
MS 9.6% $0
IN 10.8% $0
MI 14.1% $2,857,579
WI 8.9% $807,385
IL 10.1% $16,751,241
MO 9.0% $4,773,809
AR 7.0% $1,055,332
LA 6.6% $1,440,983
MN 8.2% $1,961,768
IA 5.8% $16,699,411
OK 6.3% $6,855,610
TX 7.1% $35,642,267
ND 4.4% $572,278
SD 5.0% $4,655,567
NE 4.4% $44,504
KS 7.0% $311,054
MT 6.3% $58,825
WY 5% $0
CO 7.6% $0
NM 6.5% $0
ID 7.8% $372,448
UT 5.4% $1,179,663
AZ 8.2% $0
WA 9.4% $2,701,607
OR 12.4% $61,635
NV 11.3% $65,039
CA 11.5% $2,999,424
AK 8.4% $15,638
HI 7.4% $0
Prepared by Committee on Transportation & Infrastructure Republican Staff
Unemployment rate provided by DOL. Total Outlays provided by DOT

DOT Outlays for Top 10 Highest Unemployment States

Total DOT Outlays	State	Unemployment Rate
$0	District of Columbia	10.7
$715,979	Tennessee	10.7
$1,411,797	Ohio	10.8
$1,863,630	North Carolina	11.1
$65,039	Nevada	11.3
$2,999,424	California	11.5
$1,209,172	Rhode Island	12.1
$8,356	South Carolina	12.1
$61,635	Oregon	12.4
$2,857,579	Michigan	14.1
Total:$11,192,611		

[The referenced information follows:]

Minority Report

The American Recovery and Reinvestment Act of 2009

Committee on Transportation and Infrastructure

Recovery Act: 120-Day Progress Report for Transportation Programs

June 25, 2009

$64.1 BILLION FOR TRANSPORTATION AND INFRASTRUCTURE INVESTMENT

The American Recovery and Reinvestment Act of 2009 (P.L. 111-5) (the "Recovery Act") appropriated $64.1 billion for infrastructure investment to enhance the safety, security, and efficiency of our highway, transit, rail, aviation, environmental, flood control, inland waterways, public buildings, and maritime transportation infrastructure. As of June 25, 2009, the Obama Administration has not reported a specific number of jobs created or saved from transportation and infrastructure programs listed below. Further, the Administration has not distinguished between jobs "saved" and jobs "created." At this time, Department of Transportation ("DOT") is working with the White House Council of Economic Advisors in developing a jobs counting and reporting methodology that is understandable and implementable.

TRANSPORTATION

The Recovery Act provided a total of $48.1 billion to be administered by DOT. As of May 29th, the DOT has announced $47.5 billion in funding and obligated more than $15.7 billion. The DOT has reported it has outlayed $369 million, as of their June 23, 2009, weekly report.[1]

Highways and Bridges:
The Federal Highway Administration (FHWA) received $27.5 billion from the Recovery Act. This amount included funds for: Federal-aid Highway formula ($26.8 billion), Indian Reservation Roads ($310 million), National Park Roads ($170 million), Forest Roads ($60 million), Refuge Roads ($10 million), Ferry Boats and Ferry Terminal facilities ($60 million), On-the-Job Training ($20 million), and Disadvantaged Business Enterprise bonding assistance ($20 million). FHWA complied with the Recovery Act and apportioned the funds to the States within 21 day.

As of June 5, 2009, FHWA has authorized 4,101 projects in all 50 states, the District of Columbia, Puerto Rico, Guam, and the Virgin Island for a total of $13.6 billion. This represents 51% of total funds available.

According to DOT, as of June 23, 2009, the total amount outlaid to the States is: $191,556,882.

Transit:
The Federal Transit Administration (FTA) received $8.4 billion to fund transit programs, including funds for Transit Urban and Rural formula ($6.8 billion), Transit Greenhouse Gas and Energy Reduction program ($100 million), Fixed Guideway Modernization formula ($750 million), and New Starts grants ($750 million).

[1] http://www.dot.gov/recovery/2009/06/23/weekly/DOT_Weekly_06232009.xls.

FTA appointed to the States the Transit Capital Assistance formula funds and Fixed Guideway Infrastructure Investment funds within the statutory mandated timeframe of 21 days. As of June 5, 2009, FTA is ready to obligate 98 grants pending final OST clearance with a value of $1.1 billion. FTA has awarded 39 grants for a total obligation to date of $530 million in Recovery Act funds. As of June 5, 2009, FTA received $36.7 million in "flexed fund" transfers from FHWA. These funds were received from FHWA as States and local authorities have chosen to transfer their federal Recovery Act highway funds to FTA for transit projects in their respective locale. To date, three states ($16.1 million) and five metropolitan areas ($20.6 million) have opted to take advantage of the "flexible funding" provisions.

According to DOT, as of June 23, the total amount outlaid to transit agencies is: $148,089,963.

<u>Rail</u>:
The Federal Railroad Administration received $9.3 billion in Recovery Act funds. This money includes High-speed Rail and Intercity Passenger Rail grants ($8 billion), Amtrak Capital grants ($850 million), and Amtrak Safety and Security grants ($450 million).

All rail guidance was issued by the statutory deadline of June 17, 2009. On June 4, 2009, FRA approved nine Amtrak Recovery Act projects totaling $78.2 million. FRA has no approved approximately $1 billion worth of Amtrak projects in total.

According to DOT, as of June 23, the total amount outlaid is: $23,132,060.

<u>Surface Transportation</u>:
The Office of the Secretary of Transportation (OST) received $1.5 billion in Discretionary Grants for Capital Investments in Surface Transportation Infrastructure. DOT published the grant criteria within 90 days of enactment and grant recipients had to be State or local government or transit agencies.

On June 17, 2009, OST published supplemental Federal Register notice revisiting certain provision of the Discretionary Grant project in response to public comments. OST plans to use these grants for multi-modal and port projects.

<u>Aviation</u>:
The Federal Aviation Administration (FAA) received $1.3 billion in Recovery Act funds, including Airport Improvement Program ($1.1 billion) and Federal Aviation Administration Facilities and Equipment ($200 million).

As of June 5, 2009, all FAA funds have been apportioned and FAA has announced all but $5 million of the $1.1 billion Recovery Act funding for airport grant projects. These allocations represent approximately 323 projects, of which three (totaling $4.1 million) are awaiting DOT processing to Congress.

According to DOT, as of June 23, the total amount outlaid is: $6,773,464.

INFRASTRUCTURE
During the June 25th hearing, the Committee will not hear testimony about the non-transportation Recovery Act progress. Below is a brief update on their progress:

EPA:
The EPA received $5.26 billion from the Recovery Act to fund the following programs: Clean Water State Revolving Fund loans and grants ($4 billion), Superfund cleanups ($600 million), Brownfield's grants ($100 million), Watershed and Flood Prevention Operations ($290 million), Watershed Rehabilitation Program ($50 million), and International Boundary and Water Commission ($220 million). Of the $4.4 billion that has been made available, $11.5 million has been paid out to EPA grantees.

U.S. Army Corps of Engineers:
The U.S. Army Corps of Engineers was appropriated $4.6 billion for the following programs: Construction ($2 billion), Operation and Maintenance ($2.075 billion), Mississippi Rivers and Tributaries ($375 million), Formerly Utilized Sites Remedial Action Program ($100 million), Investigations ($25 million), and Regulatory Program ($25 million). Of this amount, $17 million has been paid out.

Federal Buildings (General Services Administration or GSA):
Of the $5.575 billion GSA was appropriated, to be used for High-Performance Green Federal buildings ($4.5 billion), repair, alteration, and construction of Federal buildings and courthouses ($750 million) and border stations and land ports of entry ($300 million), and Smithsonian Institution ($25 million), $537 million has been made available and $2.7 million has been paid out.

Economic Development Administration (EDA):
Of the $150 million appropriated to the EDA, for programs including Economic Adjustment grants ($50 million) and Regional Economic Development Commissions (up to $50 million), $12.5 million has been obligated to grantees.

Federal Emergency Management Administration (FEMA):
Of the $210 million appropriated to FEMA, including programs for Firefighter Assistance grants to construct non-Federal fire stations, $2.7 million has been paid out to FEMA grantees.

Coast Guard:
The Coast Guard was appropriated $240 million in the Recovery Act for Bridge Alterations ($142 million) and construction of shore facilities and aid-to-navigation facilities and repair of vessels ($98 million). Thus far, $7.4 million has been obligated.

Maritime Administration (MARAD):
MARAD was appropriated $100 million in the Recovery Act and must obligate the money within 180. As of today, MARAD is reviewing 454 applications and hopes to complete this review by mid-July.

Job Creation and the Economy

According to the Majority staff of the Committee on Transportation and Infrastructure, the $64.1 billion of Federal infrastructure investment will create or sustain more than 1.8 million jobs and $323 billion of economic activity. Each $1 billion of Federal funds invested in infrastructure creates or sustain approximately 34,779 jobs and $6.2 billion in economic activity.[2] As of the Majority's June 15, 2009, Report, only about 21,000 direct jobs were created or saved.[3]

As of June 25, 2009, the Obama Administration has not reported a specific number of jobs created or saved from transportation and infrastructure programs listed below. Further, the Administration has not distinguished between jobs "saved" and jobs "created." At this time, Department of Transportation ("DOT") is working with the White House Council of Economic Advisors in developing a jobs counting and reporting methodology that is understandable and implementable. The current formula used to predict job created or saved is $92,000 appropriated dollars = 1 full time (40 hours), for one year job.

The economy has shed 1.6 million jobs since the stimulus was signed in February. That total has far overshadowed White House announcements estimating the effort has saved 150,000 jobs, a figure that is so murky it can never be verified. A White House report said it bases job projections on increases in the gross domestic product that result from stimulus spending: Every 1 percent increase translates to 1 million new jobs.

By this point, according to earlier White House economic models, the nation's unemployment rate should be on the decline. The forecasts White House advisers used to drum up support for the plan projected today's unemployment rate would be about 8 percent. Instead, it sits at 9.4 percent, the highest in more than 25 years. The next jobs report will be released July 2, and unemployment nationally is expected to move into double digits. As of May 29, just over 100 days since Obama signed the bill into law, only about 6% of the $787 billion in funds had been spent.

At this point, the largest share of stimulus spending has gone to states in the form of Medicaid grants. In the next phase of the stimulus plan, the White House said, the emphasis will be on helping families cope with the recession and underwriting construction projects that are ready to go. Priorities will include improving airports and highways; hiring or retaining 5,000 law enforcement officers; starting or accelerating cleanup of 20 hazardous waste sites; and creating 125,000 summer youth jobs. The Administration is counting these summer jobs created by the Labor Department as part time. By their accounting, two part time jobs equal one "full time equivalent." This accounting allows the Administration to inflate the number of new jobs created.

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[2] http://transportation.house.gov/Media/file/ARRA/Recovery%20Act%206-23-09%20Report.pdf.

[3] http://transportation.house.gov/Media/file/ARRA/Recovery%20Act%20Funds%20by%20State%20and%20Program%20as%20of%20May%2031%202009.pdf.

Even after the recession ends, the recovery is likely to be tepid, which will push unemployment higher.

The nation's unemployment rate is expected to keep climbing into 2010. Acknowledging that the jobless rate is going to climb over 10 percent, President Obama said Tuesday he's not satisfied with the progress his administration has made on the economy. He defended his recovery package but said the aid must get out faster.

Some analysts say the rate could rise as high as 11 percent by the next summer before it starts to decline. The highest rate since World War II was 10.8 percent at the end of 1982.

Just yesterday, the Fed noted that the stimulus spending will contribute to a "gradual" return of economic growth. The pace of progress is clearly not as was billed by the Administration.

Red Tape

Construction employment declined in most metropolitan areas from April 2008 to April 2009, which has prompted some to say it's high time to use stimulus money to help the issue.

The Associated General Contractors of America said the data shows a need for the federal government to move quickly with the stimulus money.

The largest declines in construction employment were in Redding, Calif., 31.6 percent; Pascagoula, Miss., 38.8 percent; Tucson, Ariz., 29.2 percent; and Reno-Sparks, Nev., 29.1 percent.

Job loss numbers like these are exactly what prompted Congress and the Administration to craft a stimulus package designed to put Americans back to work as quickly as possible.

There is concern in the construction community that the Buy American provision of the American Recovery and Reinvestment Act of 2009 is driving up the cost of some construction projects and delaying others.

Members of the moderate New Democrat Coalition have written to OMB Director Orszag urging him to soften the impact of "Buy American" language as he drafts final regulations stemming from the $787 billion economic stimulus package.

10 House Democrats wrote last Friday that state and municipal governments should be subject to the same international procurement agreements that apply to the federal government. Doing so could head off a potential move by Canadian municipalities to stop

buying U.S. products, which could cost U.S. water infrastructure manufacturers $2 billion a year, according to the Members.

The lawmakers said barriers to trade would defeat the purpose of the economic stimulus. "Robust trade with strategic partners like Canada, Mexico and the European Union will help our economy recover faster," they wrote.

Mr. OBERSTAR. I thank you. Thank you, Mr. Mica. I appreciate and would like to read your report. I will look forward to doing that.

I frankly have little sympathy for the complaints of State DOTs that they are subjected to reporting requirements. That is part of the transparency; that is part of the oversight. We told them that they are going to do this and gave them a mechanism by which to do it. It is called a flash drive. It is the size of my thumb. The State of Minnesota uses that. There is no paper reporting in from contractors in the field. There is no lengthy paper documentation. It is all submitted electronically, instantaneously from the field.

In every one of the 87 counties in the State of Minnesota, the County Engineer has a flash drive that they gather information on. Contractors report daily into the State DOT. We supplied that technology. We made it available through AASHTO to all other States. Most States have that.

I have no sympathy for people saying this is burdensome. Look, you are getting 100 percent Federal funds. You have 100 percent responsibility to be accountable for it. You have 100 percent responsibility to tell us what you are doing with it. You can do it instantaneously without additional paperwork. So I want to hear what their complaints are, but frankly, on the surface of it, I have little sympathy.

Our panel today consists of very distinguished Administrators of the modal Administrations of the Department of Transportation. We will begin with Mr. Babbitt. You are newly anointed, but that is not quite the word, is it?

[Laughter.]

Mr. BABBITT. I don't think anointment was the term.

Mr. OBERSTAR. Pouring of holy oils on the head thereof?

TESTIMONY OF J. RANDOLPH BABBITT, ADMINISTRATOR, FEDERAL AVIATION ADMINISTRATION; JOSEPH C. SZABO, ADMINISTRATOR, FEDERAL RAILROAD ADMINISTRATION; PETER M. ROGOFF, ADMINISTRATOR, FEDERAL TRANSIT ADMINISTRATION; JEFFREY F. PANIATI, ACTING DEPUTY ADMINISTRATOR, FEDERAL HIGHWAY ADMINISTRATION, AND JOSEPH H. BOARDMAN, PRESIDENT AND CEO, AMTRAK

Mr. BABBITT. Good morning, Chairman Oberstar, Ranking Member Mica, and Members of this Committee. I do welcome the opportunity to testify today on the FAA's implementation of the American Recovery and Reinvestment Act, which is one of our top priorities. My colleagues and I up here certainly share the sense of urgency and purpose for the task that the President and Congress has set for us.

Although the FAA's share of the Recovery Act's total of $48.1 billion for transportation programs is relatively modest at $1.3 billion, this funding will have lasting benefits for our Nation's aviation infrastructure. Congress appropriated $1.1 billion of that amount for grants to individual airport owners for airport development in such areas as runways, taxiways, aprons, airfield lighting, terminal buildings, and high priority safety or security equipment at the airports. The remaining $200 million was provided for the FAA's own facilities and equipment program to upgrade the FAA's power and navigation systems and to modernize the air traffic facilities.

As this Committee is aware, the Recovery Act sets forward some very specific time lines for project completion. For FAA, half of the $1.1 billion made available for airport grants, that would be $550 million, was required to be awarded within 120 days of that Act. That was last Wednesday, June 17th. Well, on behalf of the President, Secretary LaHood, and the hardworking FAA airport staff, I am very pleased to report that we not only met that milestone, we have exceeded the milestone. We actually have awarded over $800 million, almost 70 percent of the money allocated. That has already been sent out ahead of the deadline.

There are an estimated 240 Recovery Act projects currently underway or that will be started in the next 30 days. This funding is going directly into the economy now and it is making a difference in both the short term supporting, by our estimates, close to 8,000 jobs, as well as in the long term with high value infrastructure improvements.

The FAA's internal objective is to have at least 90 percent of the airport grant funding or $988 million awarded before the end of this fiscal year. All told, we anticipate that $1.1 billion of the Recovery Act funding provided for airport development will create or sustain approximately 12,000 jobs over the next two years. That is supplemented by the amount of jobs created in our F&E area.

We distributed the ARRA funding to airports under our existing allocation process and we use a National Priorities system to help guide our decisions. Our program requires that programs or projects be designated and bid before grant awards. While that may require some additional time for up front planning and bidding, this pays off ultimately because the project construction can begin very shortly after grant award. This results in planned, ready-to-go projects that have lasting value.

Also in keeping with the intent of the law to create jobs throughout the United States, the FAA monitored the allocation of funds .

Mr. OBERSTAR. Mr. Babbitt, can I interrupt for just a minute? Will the social studies class please hold for just a moment?

[Laughter.]

Mr. OBERSTAR. I am sorry but Mr. Mica has a visiting student group, a social studies class that he would like to introduce. They thought this was it. They thought this was recess. So when someone starts talking it is time to leave. But I want him to introduce the class.

Mr. MICA. Well, I am sorry, Mr. Babbitt. I want these new important transportation officials to know that you are being closely observed today. There are some high paid lobbyists out in the audience, Mr. Chairman, and all of these Members.

We did have attentively listening to at least the beginning of your opening statements the Saint James Catholic Elementary School students from Falls Church, Virginia. Their social studies teacher, Kelly Craven, used to work on the Hill. There she is back there. But we thank you for bringing these young people. We hoped you enjoyed a few minutes of this important testimony. You got the opportunity to see how a Congressional hearing is Chaired by Mr.

Oberstar and the participation by other Members of the Committee. Thank you for being with us.

Mr. OBERSTAR. And you go back knowing that your Member of Congress, Mr. Mica, is the senior Republican on the Committee and a partner in the works of all this Committee. From Saint James, that is so appropriate since the epistle of James is the epistle of works.

[Laughter.]

Mr. OBERSTAR. By your works, ye shall be saved. So you are here. You go back and read the epistle of Saint James and then relate it to what we are doing in this room, putting people to work.

Mr. MICA. And if you don't study hard, we will make you come back here and sit through all the hearings.

[Laughter.]

Mr. OBERSTAR. Thank you very much. Class dismissed, as you wish.

Now that you have regained your composure, thank you very much for that interruption. Please proceed.

Mr. BABBITT. It was not a problem. I was actually looking forward to the increased scrutiny.

[Laughter.]

Mr. BABBITT. As I believe I was mentioning, in keeping with the intent of the law to create jobs throughout the United States, the FAA has monitored the allocation of this funding so as to attempt to reflect the historical patterns that we use for AIP grants. As a result, the announced projects for this funding are represented in all 50 States as well as Puerto Rico, American Samoa, Northern Mariana Islands, and Guam.

In addition to airport grant funding, the Recovery Act also made available $200 million for the FAA's facilities and equipment program to support the FAA's infrastructure and the modernization and sustainment of equipment. We are putting that to work to replace airport control towers; to improve air route traffic control center buildings; to replace, improve power systems; and implement navigation and landing system components. While these projects may not be as visible to the public as the Airport Grant Program, they still provide a very important part of the functioning in FAA's operations.

As you know, many of our facilities are showing some signs of age. They are in need of repair or rehabilitation. We have allocated this F&E funding as set out in the Recovery Act. We put $50 million towards our power systems at 90 different sites; $50 million for modernization projects at 18 enroute control centers; $20 million for navigation and landing facilities at 145 different sites; and the largest part, over $80 million, for the replacement of three control towers and the modernization of three other tower sites.

Although the Act itself doesn't set a deadline for the F&E funds, we have obligated almost 25 percent of that money, close to $50 million, through June 17th. There are 157 different projects currently underway and we project an additional $30.2 million by the end of this month. Our plan calls for obligations of $129 million by September 2009. We plan to have the entire $200 million out by July of 2010. This support on its own will support 2,100 new jobs.

Now, all of these projects are work that the Agency had planned. That is, they were part of our corporate work plan. This funding allows us simply to accelerate that plan, to accelerate the needed improvements for our facilities or to start replacement projects sooner or ahead of schedule. So we look forward to reaping the benefits of such projects, including the energy efficiency that will come with it and the cost savings resulting from the extension of the operating life of our facilities.

Finally, not only did the President and Secretary LaHood direct us to get this funding out into the economy to make a difference, to be fast and smart in their terms about our decisions, we also have to be accountable. So currently the FAA is making all of our program funding information publicly available by posting the information on the FAA Recovery Act website as updated project information becomes available for both airports and facilities and equipment projects. This information is available to the public. It includes the Recovery Act funds received, expended, and obligated on a project by project basis.

We are stepping up our project and financial management oversight as well. The FAA project managers in the field are planning more on site inspections for the Recovery Act projects. It has been our experience that the most effective oversight comes from physical inspection of the work being done in the field. In addition, we are going to closely monitor the grant payments to ensure that Recovery Act funds are used appropriately. We are using some of the administrative funding that we were provided by the Recovery Act to hire an accounting firm to take a fresh look at the factors that we currently use to consider high risk grantees. This will help us review payments made to such grantees to identify and correct in real time any problems that we see.

So, Mr. Chairman, the FAA is proud of what we have accomplished to date. We are in the midst of millions of dollars of bids being received daily. The bidding process is robust and the savings resulting from the excellent bids are allowing us to stretch the dollars. We are actually being able to undertake more projects than planned and fund more projects than we originally anticipated.

We thank you for your support in this effort. We will continue to keep you informed on our progress. I would, of course, be happy to answer any questions you might have at the end.

Mr. OBERSTAR. Thank you very much. Again, congratulations on your designation, on clearing the Senate, and your appointment.

I wish you the same, Mr. Szabo, on being designated and clearing the Senate to be Administrator of the Federal Railroad Administration. We are glad to have you here. I know you have a long record of hands on experience in railroading. Welcome to our hearing, the first of many you will have before this Committee or Subcommittees.

Mr. SZABO. Thank you, Mr. Chairman, Ranking Member Mica, and Members of the Committee. Certainly it is an honor to appear here before you today to discuss FRA's progress in implementing the American Recovery and Reinvestment Act.

In addition to putting people back to work, the Recovery Act also sets the stage for one of the most significant new initiatives of

President Obama, Vice President Biden, and Secretary LaHood. That is the development of high speed rail in America.

FRA's total appropriation in fiscal year 2008 was approximately $1.5 billion. The Recovery Act appropriated $9.3 billion over and above FRA's $1.7 billion appropriation for fiscal year 2009. Despite this significant new responsibility, FRA takes great pride in the fact that we have met or exceeded every one of the milestones set for us in the Recovery Act.

The first significant Recovery Act milestone for FRA was the obligation of $1.3 billion in capital funds to Amtrak within 30 days of enactment. That milestone was met on March 17th. Over and above the obligation of those funds, Amtrak has approved specific projects totaling some $1.1 billion. The bulk of the funding awaiting final approval involves security investments. The Department of Homeland Security is assisting FRA in the review of these projects. We anticipate the remaining projects covering the entire $1.3 billion will be approved within the next three weeks.

Amtrak is now turning approved projects into orders for materials and supplies and is working on rebuilding its railroad. I note that Amtrak's President Joe Boardman is a witness today and so I will leave it to him to talk about the progress that Amtrak is making with these dollars.

Let me now talk about the President's High Speed Inter-City Passenger Rail Initiative. The Obama Administration believes that our transportation investment strategy must address several strategic goals in the coming years: ensuring safe and efficient transportation choices, building a foundation for economic competitiveness, promoting energy efficiency and environmental quality, and supporting interconnected livable communities. High speed intercity passenger rail is well positioned to address many of these strategic transportation goals. At FRA, we are on track to achieve this vision in a timely manner using the same build out approach that European countries have used.

Through our grant guidance, which was issued on time, we seek to advance new express high speed corridor services at speeds above 150 miles per hour on dedicated track in corridors of 200 to 600 miles. We intend to develop a merging in regional high speed corridor services at speeds of 90 to 110 miles an hour and 110 to 10 miles per hour respectively in corridors of 100 to 500 miles. We intend to upgrade the reliability of service on conventional 79 to 90 mile per hour inter-city rail services.

The President's High Speed Rail Initiative is going to transform FRA as an agency in many ways. Historically, we have been a safety agency that also gave Amtrak an annual grant. Now we have a new mission, a new set of partners, and increased responsibility. Our financial assistance staff today is sized for that quieter era. Staff's timely response to the aggressive schedule in the Recovery Act is a testament to the dedication of that small staff. But in order to meet our growing responsibilities, I ask your support for the President's fiscal year 2010 budget that begins to address FRA's resource needs.

I will also note that successful oversight of the expenditure of $8 billion will require that the amount of funds available for use by the Secretary in project oversight be more consistent with the 1 percent takedown that is historically authorized for grant oversight and not the one quarter of 1 percent that is currently authorized in the Recovery Act.

In closing, these are exciting times at FRA. Long serving staff there has told me that never before have they seen the level of Administration support for rail programs as they see today from the President, the Vice President, and the Secretary. I look forward to working with the Members of Congress and, in particular, working with the Members of this Committee to help this Nation reap the numerous benefits offered by high speed rail.

I look forward to your questions.

Mr. OBERSTAR. Thank you, Mr. Szabo. That is a very encouraging report. It is very enlightening, I must say.

Mr. Rogoff, I am sure that side of the table is new to you.

Mr. ROGOFF. It is.

Mr. OBERSTAR. Your years of service in the staff of the other body have steeped you in the issues of transit, transportation programs in general but transit in particular. You are more accustomed to being on the other side of the table preparing questions to grill witnesses. Now it is your turn to be grilled. Congratulations and welcome. We are glad to have you here.

Mr. ROGOFF. Thank you, Mr. Chairman. I am now realizing why they elevate the dais. I am not accustomed to looking up in these events and it is eye opening.

Mr. OBERSTAR. I remember how it was when I was elected in 1974 and took seat way down there. The Chairman, Bob Jones, his portrait is in the other room, let each of us new Members say something for one minute. It came to me and I said well, Mr. Chairman, it is a different feeling from when I had real power on this Committee when I was an administrator.

[Laughter.]

Mr. ROGOFF. Thank you, Mr. Chairman. I appreciate this opportunity to discuss the Recovery Act.

Before I do, I do want to take a moment on behalf of Secretary LaHood, myself, and the entire FTA family to express our condolences and mourn the tragic loss of life that resulted from the Washington Metro crash earlier this week. We have been singularly focused on that event. We have been in constant touch with Member Hersman at the NTSB, and I am happy to talk more about that in Q&A. I have also been notified that Ms. Norton may be calling a safety hearing. We are happy to participate in that as well.

On the Recovery Act, Mr. Chairman, in the 16 weeks since this hallmark legislation was enacted, FTA has been working very hard to deliver funding to support the economic recovery. Today I want to share with the Committee some of our accomplishments and how Transit has helped local communities, large and small.

The Recovery Act made available for public transportation $8.4 billion. We view that as an extraordinary opportunity. Unlike some of our modal partners here at the table whose Recovery efforts are centered around one or two large formula or discretionary programs, FTA is standing up six separate programs. We have three formula programs and three discretionary programs, including one discretionary program that is brand new that was effectively authorized in the Recovery Act itself. These six programs together will serve no fewer than 695 grantees with the potential of over 1,300 separate Recovery Act grants.

These grantees, as is true of the entire transit industry, exhibit drastically different levels of financial strength, technological sophistication, and staffing capacity. They range from the largest rail systems that serve more passengers annually than Amtrak to our smallest rural transit providers that may deploy a fleet of just three or four minivans.

By way of example, the Florida DOT plans to use its Recovery Act funds to relocate and construct a new Greyhound facility at the Miami intermodal center which will provide important intercity connections and improvements to safety, the environment, as well as economic benefits. By contrast, in Aiken, South Carolina, the lower Savannah Council of Governments plans to support its "United We Ride Mobility for All Americans" Initiative by using Recovery Act funds to build a new facility that will house its travel management coordination center. This is the kind of project that is really focused on rural residents and the elderly, helping them get to medical appointments and elsewhere.

Really, given the daunting challenge of reaching all those grantees, we have been using every tool in our arsenal to reach each and every grantee and put the Recovery Act funds to work. We are using our website, Agency guidance, webinars, regional training of grantees, and regional training of FTA staff. Sometimes we just get on the phone and walk our grantees through the process, step by step, by step, because that is what is necessary. In that regard, Mr. Chairman, I can't overstate how proud I am of the extremely hard work of the FTA staff in putting this money to work, especially in our 10 regional offices spread around the country. They have been working morning, noon, and night to reach our grantees and make sure that these dollars are being put to work promptly.

This constant collaboration between FTA and transit providers has been instrumental in keeping our implementation on track. Of the $8.34 billion of Recovery Act funding provided to the FTA, $1.74 billion or 21 percent has been obligated so far and another $4.1 billion or 50 percent are in process for obligation in the near term. I was informed as I was coming over here that we are hopeful of obligating another couple hundred million dollars just today. These figures equate to about 19,000 jobs currently obligated and another 45,000 jobs for the grants in process.

In addition, $55 million in Recovery Act funds have been transferred from the Federal Highway Administration to FTA for public transportation projects. These transfers reflect local decisions by States and municipalities to use Recovery Act highway funds for transit projects instead.

FTA estimates, based on the grants that are currently in process, that approximately 4,000 new transit vehicles will be purchased or on order by this September. All these vehicles will comply with the Buy American Act. These vehicle purchases will also serve as an important shot in the arm for our manufacturing sector. In fact, Minnesota is a very good example. In that case, the Metropolitan Council in Minneapolis has requested just short of $50 million in Recovery Act funds to purchase 31 standard 40-foot buses, 30 hybrid buses, 26 articulated buses, and 16 small 30-foot buses. Similarly, LYNX in Orlando, Florida has requested Recovery Act funds to buy 61 buses at a cost of $8.6 million.

I think that is part of what is missed. You talked, Mr. Chairman, about the sand and gravel folks calling people back to work. We have a situation where we have bus manufacturing lines that are hot and are staying hot knowing that these grants are coming, knowing that the orders are coming. When we purchase a bus, we don't ask the grantee to give all the money up front. They outlay the money to the grantee when the bus is delivered. That is not to say that people aren't working on that manufacturing line. The outlays come when the bus is delivered. So I think that is an important point on the overall issue of outlays.

The only thing I would add, Mr. Chairman, is that consistent with your guidance on reporting requirements, we are adhering to each and every element of both the letter and spirit of that law. We have a good system in place. We feel that the grantees are cooperating. Like I said, they have various levels of sophistication but where they are confused, we are helping them. So I think we are on track.

Thank you very much.

Mr. OBERSTAR. Thank you. That is an excellent report, very uplifting. I will return to the subject of the process in the time reserved for questioning.

Mr. Paniati is the Acting Deputy Administrator of the Federal Highway Administration.

Mr. PANIATI. Chairman Oberstar, Ranking Member Mica and Members of the Committee, thank you for the opportunity to discuss the Federal Highway Administration's progress in implementing the Recovery Act.

Through the Recovery Act, FHWA is playing a key role in creating jobs. The Administration estimates the highway portion alone of the Recovery Act will create or sustain close to 300,000 jobs by 2012. It is providing a lifeline for Americans who work in construction and have been especially hard hit by the recession.

On March 3rd, President Obama and Vice President Biden joined Secretary LaHood at DOT to announce that $26.6 billion was available to States for highway investment. Within hours of the President's announcement, FHWA began to approve projects. As of yesterday, FHWA division offices have authorized more than 5,000 projects in all 50 States, D.C., and the territories for a total of $15.7 billion. That represents 59 percent of total funds available.

I am proud to say this would not have happened without the strong commitment of FHWA employees, who have worked hard for many months, even before the Act was passed, to ensure that we would be ready to implement the legislation swiftly and efficiently.

In passing the Recovery Act, Congress emphasized the need to rapidly infuse these funds into the economy, requiring that 50 percent of the funds apportioned to a State must be obligated under a project agreement by June 29th. I am very pleased to report that all States have met the target at least 10 days in advance of the deadline, as the Administration will announce today. We are also hearing good news from States that projects are running ahead of schedule and under budget. By stretching Recovery Act dollars, States are able to complete additional projects and create even more jobs.

Project approvals are only part of the story. We need to get projects underway to put people back to work. As of June 19th, there are more than 1,500 highway projects underway in 45 States, D.C., and on Federal lands utilizing more than $5 billion in Recovery Act funds. We estimate that these projects alone will yield over 50,000 jobs.

FHWA is distributing $550 million for roads on Federal and tribal lands. This funding is creating jobs and improving access to our national treasures. For instance, we have advanced projects such as the reconstruction of the Going to the Sun Road in Montana's Glacier National Park and the rehabilitation of roadways within Yosemite National Park in California.

The Recovery Act is working for America. Every new project we obligate is a signal for States to advertise contracts, and for contractors to begin hiring workers and ordering materials like steel, asphalt, and concrete. We are making investments in projects that will save lives. We are making investments in our highway system that will help it operate more efficiently and effectively, while moving the people and goods we need to keep the economy healthy.

It is not only important to get the money out quickly, we must get it out in the right way. The Agency continues to focus on reporting and management of the risks associated with such a large investment of dollars in transportation. The public needs to know what their money is buying, and the FHWA has moved forward aggressively to fulfill the President's commitment to transparency and accountability. Our Recovery Act progress is on the front page of our website and is updated every day, and we are providing detailed reports through recovery.gov.

To guide our oversight, we are employing extensive risk management strategies at the local, State, and national levels including communication and education efforts, and our Division Offices and National Review Teams are providing oversight. We are monitoring progress and risks by analyzing data we have received to identify trends or problem areas, and we making real time corrections as needed.

Successful deployment of highway dollars under the Recovery Act will remain a top priority at FHWA as we continue to work to deliver Recovery Act funds and get America's economy moving again.

Mr. Chairman, this concludes my remarks. I will be happy to answer your questions.

Mr. OBERSTAR. Thank you very much for that wealth of detail. I appreciate your presentation.

Now we have Mr. Boardman.

Mr. BOARDMAN. Thank you, Mr. Chairman. Good morning to you and to all the Members. Thank you for the invitation to testify to the Committee.

The company is in motion. Work is underway not only in the vast task of organization and oversight but in both internal and external projects that will ultimately modernize and transform the Amtrak system. We have been working closely with the Federal Railroad Administration and, as the Administrator said, they have approved about 90 percent of the projects of our $1.3 billion slate.

About 10 percent of the total is yet unapproved as those are security and safety projects that also require the approval of the Department of Homeland Security. We have awarded about $41 million of the $1.3 billion that we have received from the ARRA funding. I expect our spend rate will increase significantly in the coming months and we are preparing for that.

We all know this is a complex and challenging process but I am convinced that the RFI/RFP process does a good job of protecting the taxpayers' investment. Those proceedings are deliberate and they are designed to be deliberate.

We are soliciting letters of interest from contractors for fixing bridges, as we discussed in April. Major projects that are in the request proposal stage of the contracting process include several of the major tunnel, fire, and life safety programs in New York as we also discussed in April. During the next 90 days, we expect to award $190 million worth of projects that will be managed directly by the Amtrak staff. Among the latter are improvements to the fire standpipe systems in those tunnels and Positive Train Control.

Since our hearing on April 29th, work has advanced on two of the major projects we discussed last time around, the Wilmington and the Sanford stations. We broke ground at Sanford about two weeks after the last hearing and Ranking Member Mica joined us to celebrate the complete renovation of the southern terminal of our very successful and popular Auto Train service.

Projects that can be advanced with our own workforce are another area where we are making real progress. We have added 222 employees to our engineering force to deal with ARRA related expansion and right of way work on the Northeast Corridor that begins next month. This will include projects such as ditch and drainage improvements retaining wall upgrades; and improvements in design to better the integrity of the road bed along nearly 230 miles of the New York, Mid-Atlantic, and New England divisions.

Similarly, we are making good progress in our $100 million equipment plan. We do most of this work in house with an Amtrak workforce. We have also existing agreements in inventory levels for parts. In some cases, progress is still subject to the ability of suppliers to get us needed components but, we are moving ahead. ARRA funding has allowed us to add 52 mechanical employees at our Bear, Delaware facility and another 108 employees at our back shop in Beech Grove, Indiana. I expect the workforce at these two facilities will be returning the first of the Amfleet cars to service in the middle of July and the first of the Superliners by the end of July.

At the end of July we intend to award the contract for a team of regional project managers who will manage a slate of 394 projects with a total dollar value of $636 million across the Country. Many of these projects will be relatively small and will be excellent candidates for small business set asides. The regional project managers will oversee this effort and our expectation is that they will achieve the goals of extending our outreach and relationships with small businesses and disadvantaged business enterprises.

We have built a procurement website, procurement.amtrak.com, where we advertise Stimulus project opportunities.

I should note that some of the $1.3 billion that Amtrak is investing will lay critical groundwork and provide long term benefits for the development of high speed rail. For example, we are investing $10 million in Positive Train Control on our Michigan line. There are a couple of corridors that are ready to go. Congress and the Administration have challenged us not just to get the work done but to produce measurable results. That is a real challenge and we are going to do our part to advance it. Nobody out there knows as much about making high speed service a reality under North American conditions as we do. I think the men and women of Amtrak have earned the chance that we now have, the chance to help bring the next big improvement in rail service.

I learned on my recent 9,000 mile trip on Amtrak trains that Amtrak is unique. We are both a company and a mode of travel. I often found that much of the latent desire and hope people feel for passenger service is vested in Amtrak. They are willing to go a long way to help out in rehabilitating stations and providing hosts at many of our stations to help travelers. As enthusiastic as the people who have train service are, I found the people who don't have service but want it are even more enthusiastic and hopeful. They are tireless advocates and they are a real inspiration.

The transformational vision for passenger rail service in the United States takes teamwork and focus from all. We pledge to work with all who want to improve passenger rail. We thank this Committee for their support.

Mr. OBERSTAR. Thank you very much, Mr. Boardman. That is a very encouraging report as well. Clearly there is a great deal of progress being made. You have laid out an excellent agenda of actions already taken, those that are underway, and those planned.

I am glad you had the groundbreaking for the Auto Train terminal. Some 20 plus years ago, my late wife, our children, and I took that trip. I think we were some of the first ones to ride in the first month or so, to ride the Auto Train to Florida. It is quite an impressive experience to see the cars rolling off the trains. You get out and drive on to your next destination. It is good to see that it has been so successful that it needs renovation. I am glad Mr. Mica was there to participate in that event.

You mentioned Positive Train Control, investing some $10 million in PTC. That is under the Recovery Act money?

Mr. BOARDMAN. Yes, sir.

Mr. OBERSTAR. Could you list for us the company or companies that are producing the PTC technology? How many jobs are resulting from that work?

Mr. BOARDMAN. In that specific area regarding PTC, I may not be able to give you the number of jobs. The total amount when we put this together, the first year was going to be 4,600 jobs for all of what we were going to do the first year. The total for the whole package in two years was 8,000 jobs. So I don't have it broken down that way today but we can provide that to you.

On the Positive Train Control, we are doing about three different things here. One is that we are extending our ACSES system, which is the Advanced Civil Speed Enforcement Train Control, that exists already on the Northeast Corridor. Another is that we are expanding the ITCS structure on the Michigan line. We also did a system with Illinois and with Lockheed Martin. Then there will be a platform that will be GPS-based, for which there are a couple of different suppliers, one of them being WabTec. We are working with all the freight railroads to make sure that we have interoperability between them and us.

Mr. OBERSTAR. I asked the question because it is important in the total accounting of jobs created by this investment. It is important to follow the line of the supply chain back from the job site because those are jobs that didn't exist either before this Recovery funding.

I recall so well just a month after the President signed the Recovery Act a young civil engineer from my home town Chisholm, he had moved away on and off to get his degree in engineering and found work with a civil engineering company doing highway design work, he came into the office here to see me. He said I want to thank you and the Congress and the President because I am back at work. I had been working for a year with this company but was laid off when the recession took hold. But now, before any projects are underway, the company called me back. They said we know we are going to have a number of projects to bid on and we need to put you to work. Well, it just turned out he had a week's vacation time coming after being back on the job so he took his wife out to Washington.

That is being repeated all over the Country. I want those jobs accounted for as well. We know that you are going to do that.

This is, Mr. Paniati, what I was talking about. This is the flash drive. It is a little computer device. It is about the size of my thumb. It just fits into your computer. I won't bore anybody by calling it all up on the screen but this is what it produces.

This is what the State of Minnesota uses. In the field, the County Engineer gathers information, enters it on his computer, and sends it in to the State DOT instantaneously. The State DOT then sends that information each month in to the U.S. DOT Federal Highway Administration and to our Committee. So we are getting all this information. Here it is, pages and pages of documentation: projects in construction, construction status, projects in planning and their location, county State road, county State highway 10, and what is underway at the time.

So when I hear complaints that there is such a burden of paperwork, I just want to repeat that I have no patience for those who have been given hundreds of millions of dollars at 100 percent Federal funding to put people to work. They complain about paperwork? Baloney. It is electronic work. If that is burdensome then those complainers need to get a number two shovel in their hands, go out on a job site, start shoveling, and get a callous on their hands instead of a complaint in their outbox. I have no patience for that at all.

Just briefly, Administrator Rogoff, describe step by step the process from notification from Office of Management and Budget to DOT, from DOT to the Federal Transit Administration, and thereon through. You described a little part of that process. You said the outlay occurs when money is transferred to the grantee when the bus is delivered. That is the point of outlay but the process is already started. So I want you to walk us through the procedure that is followed. Step one?

Mr. ROGOFF. Specifically for vehicle purchase, since that is what I focused on in that instance, a grantee will come forward.

Mr. OBERSTAR. A grantee being who?

Mr. ROGOFF. A grantee being a transit agency, urbanized or non-urbanized, and in some cases a State applicant who is applying for a universe of rural providers. They alert us that their program of projects will include vehicle purchases. We go ahead and approve that grant. At that point, when we approve the grant, it is obligated.

Mr. OBERSTAR. So you set aside some millions of dollars?

Mr. ROGOFF. Right, we reserve the funds in our system. We have an automated system known as T.E.A.M. It is a computerized system and the grantees communicate with us through that system. We reserve the dollars.

Mr. OBERSTAR. What determines when the transit agency has in effect received the funds?

Mr. ROGOFF. When we obligate it they have a green light to sign a contract.

Mr. OBERSTAR. Yes, okay.

Mr. ROGOFF. They sign a contract either on behalf of their own transit agency or, in some areas where we have a great deal of success in getting economies of scale for our transit agencies, they might team with other transit agencies for a bigger bus buy. They reach a contract with that bus provider. That bus provider goes about the business of manufacturing those buses. But as I am sure you can appreciate, Mr. Chairman, we don't want them to pay the manufacturer until they take delivery of that bus, have tested that bus, and know that that bus is compliant with every element of the contract. Only when they take delivery of that bus and pay the contractor the progress payments on the manufacture of that bus, only then does it come through to our system as an "outlay". So it really is at the end of the system, at the end of the chain that we actually incur an outlay for a bus purchase.

I think in Mr. Paniati's instance it is even more notable because his program, as you pointed out in your opening statement, is done on reimbursement. The outlays actually occur at the very end of the construction process. But I will let him speak to that.

Mr. OBERSTAR. Well, we will come to that in a moment. I want to withhold my further questions at this point and go to Mr. Boozman. Thank you for taking the position of Ranking Member as Mr. Mica went off to other duties.

Mr. BOOZMAN. Thank you, Mr. Chairman. Mr. LoBiondo is like the rest of us. He has got three places that he needs to be so I will yield to him at this time.

Mr. LOBIONDO. Thank you, Mr. Boozman, very much. Mr. Oberstar, thank you for holding this hearing. To our distinguished panel, I thank you for the work you are doing. In particular, Mr. Babbitt, congratulations on your confirmation. I certainly look forward to meeting with you in the near future and working with you very closely with our FAA technical center.

I have a question for you, Mr. Babbitt. You talked about $200 million in the F&E account, that it was going to go to three towers and 18 different centers, I believe. Would you be able to, if not today, at some point let us know who is on that list? I would be curious to know who is going to be receiving that funding. Very specifically, of course, I have an interest in our FAA technical center at the Atlantic City Airport. Mr. Oberstar knows I am very fond of saying that is the premier facility in the world for aviation research and development for safety and security. I am just curious whether they might be in line for any rehabilitation funding for the laboratories or any of the other facilities there.

Mr. BABBITT. First, thank you for the congratulations. I look forward to working with you as well.

Candidly, I don't know the specific breakdown but I certainly can get that information to you. I share your view on the Technical Center. I have recently visited one of our technical centers. We are going to be calling on them for some of the advancements we are making right now. We have a lot of new technology that we are trying to deploy and the Technical Center is the birthplace of much of that technology. So I share your view and I will certainly get you that information. [The referenced information follows:]

Insert for the record: 6/25/09 House Aviation Subcommittee hearing on AARA implementation

At page 48, at line 1026:

The American Recovery and Reinvestment Act of 2009 included $200 million in the FAA's Facilities and Equipment (F&E) account to upgrade FAA's power systems; modernize aging air route air traffic control centers (ARTCCs); replace air traffic control towers (ATCTs) and TRACONs; and install airport lighting, navigation and landing equipment. The ARRA funds are helping to address a significant backlog of improvement/replacement needs at FAA's air traffic control facilities across the nation. Breakdown of the ARRA F&E Funding:

Air traffic facility Power Systems	$50 million	90 Sites
ATCT/TRACON Facilities	$80 million	Replacement of 3 Towers
ARTCC Modernization	$50 million	18 En Route Centers
Navigation/Landing Facilities	$20 million	145 Sites

The FAA includes funding each year in the F&E budget submission for the Technical Center's capital requirements. In the FY 2010 budget, we requested $13 million for laboratory infrastructure support. This program sustains the agency's centralized test bed infrastructure comprised of 157,000 square feet and over 200 systems. In addition, our FY 2010 budget includes $5.5 million for the Technical Center facility improvement and modernization. Examples of initiatives funded include: replacement of old heating, ventilation, and air-conditioning systems; upgrading the electrical distribution systems, etc.

Mr. LoBiondo. Okay. I appreciate your getting back to me. Again, I look forward to working with you. Thank you, Mr. Boozman. Thank you, Mr. Oberstar.

Mr. Oberstar. Thank you, Mr. LoBiondo. We will now to go Mr. DeFazio, Chair of our Transit and Highway Subcommittee.

Mr. DeFazio. Mr. Chairman, I do have questions but since I am going to assume the chair when you leave in a little bit, I would defer to other Members and then I will take my time.

Mr. Oberstar. We will go to Ms. Brown.

Ms. Brown of Florida. Thank you, Mr. Chairman. Thank you for holding this hearing. You know, I voted for the Stimulus and I think the accountability is a major part as we move forward with this and the transportation bill.

I have a question for Mr. Boardman. Mr. Boardman, first of all I want to thank you for the leadership that you have provided in Amtrak. Certainly I was at the announcement when we announced the Sanford project and the Wilmington project. I think that came to a total of $25 million. To date, we have announced a total of $41 million. We have another $16 million in that pot and then we are looking at another 190 projects. You know, Amtrak has for eight years struggled with zero funding. Now we have finally got the funds, and I know you have got to handle it in a proper manner, but can you give us a status report as to how Amtrak has been able to use those additional Stimulus dollars?

Mr. Boardman. Certainly, Congresswoman. I appreciate your support and your kind comments.

One of the things that we are doing right now is a lot of the work in house. I reported a little while ago how many additional jobs we have applied to our Bear facility and our facility at Beech Grove in Indiana. There are about 108 jobs there. We expect to start producing the cars actually out of there mid July.

So many of those dollars are actually, and the Chairman talked about this a little bit earlier, some of them now are not charged back yet. So there are actually more dollars out there that are in the works but people have not charged us back for the parts and so on and so forth.

Some of the big projects like the Niantic Bridge, which is a $100 million project, is coming online relatively soon. Within the next 90 days or so we see about another $190 million worth of projects. At the same time we have a lot of very small projects across the Country that we need specific management of, over $600 million worth of those small projects. We have a list of those all on our website. Many of them have to do with stations and improvements under ADA. Many of them are going to make it much easier for our customers to use the service.

So you are going to see that spend out much more rapidly in the next several months.

Ms. Brown of Florida. Thank you. Mr. Chairman, I want to mention the fact that at that Beech Grove repair facility, if it wasn't for the Chairman and working with the Member from that area, we were talking about doing a major downsizing and sending the people to Delaware. Now, you know, that we have gotten the funds we are fixing up that facility. So we did our job. I really think that is the way it should work.

Mr. BOARDMAN. Yes, ma'am.

Ms. BROWN OF FLORIDA. Thank you very much. I yield back the balance of my time.

Mr. OBERSTAR. Mr. Boozman, you now get your time.

Mr. BOOZMAN. Thank you, Mr. Chairman. Mr. Paniati, in your testimony you said that the maintenance of effort by the States was proving to be a challenge. How will DOT ensure that States are continuing to use the Recovery Act's money that they are getting to supplement rather than supplant planned State expenditures that were going to be done anyway?

Mr. PANIATI. The maintenance of effort provision is one that the State DOTs were not used to. In their first response to providing the certification on the maintenance of effort, we received a variety of responses, some with contingencies on them and other qualifications that we did not feel complied with the law. The Secretary made the determination to go back out and offer additional guidance to each of the States and a request for them to reevaluate and resubmit their certifications. We received conforming certifications back from all but one State.

Just recently, we issued guidance to our State divisions to go and sit down with each of the State DOTs to review with the State how they computed the numbers that are in the certification to make sure we are comfortable with the computation. We will be getting regular reports from each State on the maintenance of effort as time goes by. Our goal is to ensure an equitable and level playing field so that when we get to the point of August redistribution in 2011, which is the outcome, that we are able to say whether a State has met its maintenance of effort or not, and determine whether it will share in that August redistribution or not.

Mr. BOOZMAN. Very good. I appreciate you all. I know that you are working very, very hard to get the money out and to make sure that it is spent in the appropriate way. In my district and I think in every Member's district, in fact I think every elected official right now, every day that they get up they need to think how can I create jobs, how can I protect pension plans, and things like that. In the Commission that was done where people worked so hard, they told us that the average road project was eight to ten years, something like that. So I know that it is a tremendous challenge.

In the start of your testimony you talked about creating or saving jobs. Right now the unemployment rate is continuing to creep and is at a very, very serious situation. How do you differentiate? What does creating or saving mean?

Mr. PANIATI. Right now our focus is just on getting people to work without really focusing on the differentiation. We are really focused on how many people are at work on Federal-aid highway projects. So our most recent information, which was through May, indicated that, in May, we had close to 5,000 full time equivalent jobs underway. That represented a 400 percent increase over the data from March and April. These are well paying jobs, with an average $35 an hour wage as compared to $15.50 in the general economy.

But the thing that really gives us comfort that a lot more jobs are coming is the fact that the 1,500 projects that are underway account for only about a third of the money that has been obligated to date. Those projects will ultimately yield some 50,000 jobs at the site and as the workers spend their wages. Those jobs are going to be ramping up very quickly as we get deeper into the summer months as construction on those projects ramps up.

Mr. BOOZMAN. Thank you. I have one more thing, Mr. Babbitt. The Recovery bill provided FAA with $2 million to hire additional staff to award grants and provide grant oversight. How is that going? Have you spent the money? Have we ramped up in that regard?

Mr. BABBITT. Yes, sir. I can get you greater detail but we have begun deploying that. We are looking at several things, one of which is some sophisticated ways that you can look at higher risk projects and analyze that risk for better oversight. So that is where we have put some of the money. My understanding is we have about half of it engaged already and are looking to deploy the rest of it as these projects go forward. But I can get you very detailed information on the exact projects and the exact allocations.

[The referenced information follows:]

Insert for the record: 6/25/09 House Aviation Subcommittee hearing on AARA implementation

At page 54, at line 1165:

Under the Act, Congress made available up to $2.2 million for administrative support for the airport grants provided by the Recovery Act. We have used the funds to strengthen our professional program management oversight of the grants. In addition to the agency's existing staff, FAA Airports regional and headquarters offices continue to add experienced program management oversight capability on a temporary basis to ensure ARRA projects are coordinated and implemented in a timely manner in accordance with each ARRA grant. We have added one program manager each at the Southwestern Region, Fort Worth, TX; Airports District Office, Denver, CO; Airports District Office, Harrisburg, PA and one program specialist at the Northwest Mountain Region, Renton, WA. Also, we are currently processing temporary hiring actions in our Western Pacific and Great Lakes regions. These temporary oversight personnel are assigned only to ARRA projects.

Other regional offices are utilizing ARRA administrative funds to support additional oversight travel requirements, and funding overtime from FAA funds as required. At headquarters, our Airports Office is in the process of obtaining independent advice by contracting with a well known management and accounting consulting firm for additional program management support to increase oversight of ARRA grants. In order to make certain that the FAA's grant oversight efforts can support the heightened requirements and expectations related to ARRA, the contractor will revisit FAA's current risk-based framework and consider additional steps to make it more robust.

I wish to note, that in accordance with the terms of the Recovery Act, any funds allotted to administrative support but not used for that purpose, will be rolled back into ARRA projects.

Mr. BOOZMAN. That would be helpful. Thank you, Mr. Chairman.

Mr. OBERSTAR. Mr. Boozman, your question about jobs created versus jobs saved, that is an accounting that we will specifically receive in the next 30 day report. We thought initially in this second report that the various modal Administrations would be able to report on those job figures but it turned out to be a little more difficult to gather the information because of the lag in the time in reporting in. But this little flash drive is now at work. The information will be available and in our July hearing we will get those figures. We will make sure that your point, which is also my concern, is adequately answered.

Mr. BOOZMAN. Very good, Mr. Chairman. I think it is a challenge to get good information in that regard. Then the other challenge is to make sure that the projects that are being done are not projects that would have already been slated to get done but are additional projects.

Mr. OBERSTAR. The Recovery Act language from our Committee was very specific that the Recovery Act funds, which are 100 percent funding, should be in addition to the program of projects the States had committed to undertake prior to enactment of the Recovery Act. We surveyed all State DOTs in December of 2008 and again in January of this year for a listing of projects that the State DOTs said would meet the qualifications: designed, engineered, EIS completed, right of way acquired, down to final design and engineering, and all that is lacking is the money. Through AASHTO, they gave our Committee, shared on both sides, that information. Then we said the Governor must sign off on two documents, the document of the program of projects to be carried out under the 80/20 program and the program of projects to be carried out under the 100 percent Recovery Act funds. The same was true with the transit agencies.

We don't want job substitution. We don't want project substitution. It is just going to be net new jobs created. In our reporting we are watching very carefully. We will have more complete information or more advanced information in our next reporting period. But we are very alert to that issue.

We also want to know, and I have heard from some Members, that there are some States in which the projects aren't being equitably distributed. We want to know that as well.

Mr. Michaud, Mr. Maine, the voice of Maine?

Mr. MICHAUD. Thank you very much. Thank you, Mr. Chairman. I really appreciate your leadership with this Committee and what you are doing.

I am pleased to let you know, Mr. Chairman, that the Governor mentioned this Wednesday that Maine has committed 100 percent of the bridge and highway projects. So those other States who were complaining about the cumbersome paperwork, I am sure we would be willing to take that money and put it to good use in the State of Maine.

I have a question for Mr. Paniati.

Mr. OBERSTAR. May I interrupt the gentleman?

Mr. MICHAUD. Yes.

Mr. OBERSTAR. That is a provision of the Act, by the way. If States don't use their funds in the 90 days, if they don't commit it, they don't obligate the money, they don't have it under contract, they can lose it to States that are ready. I just want to reinforce that.

Mr. MICHAUD. We are ready to go.

My question to Mr. Paniati is, and I will quote your comments, and I am very pleased to see in your testimony how enthusiastic you are on the Recovery and Reinvestment Act, you had mentioned that the Act is an "unprecedented effort to jump start our economy, create and save millions of jobs, and put a down payment on addressing long neglected challenges so our Country can thrive in the 21st century."

You also went on to say, "The Recovery Act has energized working people and companies of all sizes. It is a lifeline for Americans who work in construction and have been especially hard hit by the recession. Overall, the Administration estimates the highway portion of the loan of the Recovery Act will eventually create or sustain close to 300,000 jobs by 2010."

Throughout your testimony, you really talk about the Recovery Act and how important it is. I really believe that you really mean what you say in your testimony. I guess my question then is if in fact that you are so enthusiastic about how great the Recovery Act is and what it is doing for our Country, have you or the Secretary talked to the Economic Advisory Council on why if this is so great why they are encouraging Congress to hold off on the highway bill for another 18 months?

Mr. PANIATI. I have not talked to the Council of Economic Advisors on that. I am sure that the Secretary has. We obviously have a very close and near term challenge with the Highway Trust Fund. If action is not taken, our current projections indicate that, by the end of August or early September, we will not be able to sustain the payments in the normal manner. So obviously action is important and needed soon.

The Secretary and the Administration believe that it is important in taking that action to take a comprehensive and a fully developed look. The Administration is working closely with the Members here in developing that approach to reauthorization. I think they believe that taking the time in the 18 months to deal with both the initial crisis and to develop that comprehensive approach is the most appropriate way to proceed.

Mr. MICHAUD. Mr. Chairman, if I might continue? Probably not for this hearing, and I know we are talking about jobs and what the Recovery Act has been doing for this great Country, but I would like to know if you can provide at a later time, with the inaction of dealing with the authorization bill, what negative effect that is going to have on the economy. It definitely will have a negative effect, looking at your positive statement on the money and the jobs that this Recovery Act is doing. So with the inaction and lack of leadership on behalf of the Administration when you look at the authorization, I would like to know the negative effect that it is going to have the longer we put off enacting the authorization. I know you can't answer that question today but I want to know what negative effect it will have if we delay action, especially for the 18 months that you are talking about. If you can provide that to the Committee, I would appreciate it.

[The referenced information follows:]

[INSERT FOR THE RECORD, P. 59, AFTER LINE 1283]:

[QUESTION FROM Rep. Michaud (Pages 58-59): What negative impact the Administration's 18-month extension bill will have on the economy.]

Response:
There is widespread agreement that the level and focus of Federal transportation investment must address the needs of the surface transportation system more effectively. However, the best way to achieve that goal at present is through an 18-month reauthorization that lays the groundwork for accountability and performance standards in a six-year reauthorization.

An 18-month reauthorization would allow the Federal government to implement a few targeted reforms in preparation for a six-year reauthorization, when the economy begins to recover. Moreover, it would allow Congress, the Executive Branch, the States, and other stakeholders adequate time to carefully consider and develop the complex policies that will be included in the full reauthorization. It would also allow this time to be used to incorporate the valuable lessons from the innovations in transportation investment in the Recovery Act, such as the processes by which money is spent at the State and local levels, as well as the various geographic priorities for investment.

The Obama Administration understands the importance of a long-term reauthorization of the surface transportation program. We cannot achieve our goals without it. But it needs to be the right kind of long-term reauthorization. We cannot achieve our goals with the kind of reauthorization that we would likely be able to pass this year. We therefore believe that the right strategy is to enact an 18-month reauthorization this year, and devote ourselves over the coming year to working out the details of a strong reauthorization that will serve this Nation for decades to come.

With that, Mr. Chairman, I want to thank you and the Ranking Member once again for your proactive way that you are dealing with our infrastructure needs in this Country. I look forward to working with you as we move forward not only on the economic Recovery Act but also moving forward the really progressive highway authorization bill that you and the Ranking Member have put forward. So with that I yield back, Mr. Chairman.

Mr. OBERSTAR. Thank you very much, Mr. Michaud, for those comments and for that very important question. If Mr. Paniati and the Administration can't answer it, we have an awful lot of other folks who can.

The key element to keep in mind is that as the Recovery Act Stimulus winds down next summer or fall, the Trust Fund will be at its lowest ebb. There will be no reauthorization under the Administration proposal. The effect of Stimulus will be gone and the existing law, under their plan, would stay in effect. That means funding at a substantially lower level than was authorized in the 2005 bill. The economy will suffer very severe job loss as well as not enjoying the benefit of the six million jobs to be created over the six years of our Committee bill.

Mr. ROGOFF. Mr. Chairman, could I speak to that for a minute? The Transit program is also authorized under that bill. I think it is important to point out that the President is singularly focused on the economic recovery. Probably the greatest danger looming that could really stall the economic recovery is, as Jeff pointed out, the imminent bankruptcy of the Trust Fund. That is not going to happen in October; that is going to happen this August.

Mr. OBERSTAR. The last week of August.

Mr. ROGOFF. What the President has put forward is a plan to get us past that crisis. Deputy Secretary Porcari just yesterday was required to send a letter out to every State DOT warning them of the bankruptcy in late August. Under the prior Administration, those letters did not go out. State DOTs were caught unaware. If we want to worry about the States slowing their spending, we need to think about the impact of this letter. That is why, as part of the same program, the President has put forward an 18-month extension that also brings with it $20 billion to get us over the hump.

Now in fairness, the President's budget for 2010 has an uptick in funding for transit and an uptick in funding for highways, albeit more from the general fund than the Trust Fund, in order to deal with the near term Trust Fund problem. But we don't see ourselves falling off a cliff in October. The President's budget provides increased funds both for highways and transit beginning in October. He is putting forward a program to get us over the crisis in August which is the near-term crisis we all need to worry about.

Mr. OBERSTAR. We understand. You are a good soldier.

[Laughter.]

Mr. ROGOFF. Thank you.

Mr. OBERSTAR. I have already talked about that this morning to another group. We understand very well that at the end of August there will be $2.3 billion in requests from the States for vouchers to be filled, not under the Stimulus program but under the regular 80/20 program, and there will be $1.6 billion in revenues against which to pay those bills. There will be a $600 million shortfall. We understand that. We understand that by September 11th the requests will remain at $2.3 billion and the revenue available in the Trust Fund to be disbursed by Treasury will be $1.6 billion. It will be even less than at the end of August. I understand that.

That is why we moved yesterday in this Committee on a new authorization. That is why we will be moving in July with the Ways and Means Committee on the funding mechanisms. That is why Mr. DeFazio, Mr. Mica, Mr. Duncan, all the Members of the Committee on both sides, and I have been working so hard on a new program not just for the next two months, not just until the end of this fiscal year, not just for filling the hole in the Trust Fund, but for six years to create six million jobs.

We have had no outreach from the Administration, no participation, and no discussion. I am personally offended by that.

Mr. Diaz-Balart?

Mr. DIAZ-BALART. Thank you, Mr. Chairman. It goes without saying that you have, and I think I can speak for the entire Committee, the support of the entire Committee. As we have said many, many times, we may disagree on some specifics but there is no doubt where we need to go. I think it is important to make that clear.

I want to also commend the gentleman from Maine because I think he brought up a very, very important point. Look, I don't want to be the one who throws a bucket of cold water, even though it is pretty evident that I am not the first, but with the exception of the Stimulus money spent on transportation, the Stimulus has been a flop. Don't take my word for it. Look around you. Just look around you.

Florida's unemployment rate is 10.2 percent. Can anybody tell me that is a good thing or be happy with that? The President's own economic advisors, according to their numbers, unemployment is higher now then if Congress had taken absolutely no action. Those are not my numbers. They are from the President's own economic advisors. On June 14th, the Vice President himself on Meet the Press said that everyone guessed wrong on the impact of the economic Stimulus.

The exception to that, I think, is money being spent on infrastructure. Part of the reason probably is because only 7 percent or less of the money went for transportation infrastructure. I may have my differences with the Chairman of this Committee but I admire him because at the time he was fighting for more funding for infrastructure. There is no doubt, I think, in most of our minds that that would have had a great impact, a very positive impact, and that it would have created a lot more jobs frankly for a lot less money. But we are where we are.

I bring that up, though, because with a letter or without a letter, I think the State DOTs knew where the situation was, with all due respect. At least Florida's did. I appreciate the letter. I think it is good but I don't think that was rediscovering the Mediterranean.

With that in mind, I do want to tell you that I dropped the bill. I am sponsoring a bill with it. I have already filed. It basically would rescind the unspent non-transportation American Recovery funds and put them in the Highway Trust Fund. It would create jobs and prepare this Country for long term economic stability. It would deal with the short term deficit and also with the longer term deficit. I just want to bring that out there because that is an area that we all agree on, that infrastructure is something we have to do and that it is something that is working. I want to thank all of you for the job that you are doing on that.

More importantly, Mr. Chairman, I need to thank you. Again, we may have some differences but you have been steadfast not only fighting for more money for transportation infrastructure but also doing everything in your power through this Committee to make sure the money is well spent. That is why we are here today. Again, we may have our differences from time to time but I want to make sure that everybody understands that this Committee is united.

I just want to thank you, sir, for your efforts not only in fighting for the funding, not only in working on a bill that you have worked on day in and day out, and you have listened to everybody on this Committee, every single Member of this Committee, but also making sure that the money that has already gone out there is well spent. Obviously in this day and age, particularly when the situation is so difficult because people continue to lose their jobs, that is more important than ever. So I want to thank you again, sir.

Mr. OBERSTAR. I am very grateful to the gentleman for those thoughtful comments. It is and it will continue to be the effort and principle of this Committee and this Chairman to hear everybody, to listen to everybody, and to stay on course.

Ms. Hirono?

Ms. HIRONO. It is very clear to all of us on this Committee that literally the money spent on infrastructure is concrete and it creates jobs. That is one of the major goals of the Recovery Fund, and some of you did include in your testimony the job retention creation aspects of your programs.

My question to all of you is how can we be assured that those numbers are indeed accurate? Do you have mechanisms in place? I take it that the numbers are reported to you by the grantees. Do you just rely upon them or do you have some other way to ensure that those jobs are in fact being retained or created?

My second question is whether we are meeting our goals with regard to the job retention and creation aspects of the Recovery Act.

Mr. PANIATI. From the Federal Highway Administration's perspective, we have created what we call RADS, Recovery Act Data System, which is a system where the data starts with the contractor who is employing the workers. That data is then reported to the State. The State compiles the data from individual contractors. Our division office, which we have in each State, works closely with the State DOT and reviews the employment data that is provided to the Federal Highway Administration and loaded into this Recovery Act database. So it is compiled across the country from all of the States centrally.

At that point, we look at the number of jobs that are being reported to identify any issues or anomalies; whether it looks like anything doesn't match up with what we would expect given the amount of dollars being spent. That is the data that is then included on Recovery.gov and in reports that are delivered to Congress.

So we feel like we have a very systematic process of collecting the data and oversight of that data through the Federal Highway Administration staff.

Ms. HIRONO. And for the other administrators, do you have mechanisms in place so that you feel sure these numbers are accurate?

Mr. ROGOFF. In the Federal Transit Administration, we have a process that is somewhat similar. I have to admit it is not as robust as Mr. Paniati's. In the early going, we are putting an emphasis on getting our funds obligated because, as Chairman Oberstar pointed out, we have an obligation deadline where 50 percent of the funds to 297 grantees needing must be obligated by September 1st or those funds are lapsed to other grantees. We are collecting jobs data from our grantees. We will be doing more routine collection once we know that we are past that obligation deadline.

Mr. SZABO. At FRA, it is a slightly different animals since, at this point, our only grantee is Amtrak. So I guess to some extent, at this point, it makes our job a little bit easier. But, yes, in fact, we have regular reporting from Amtrak and, as part of our oversight, we do verify these numbers.

Mr. BABBITT. And from the Federal Aviation Administration, we are using a metric. The numbers that I gave you today and provided in my testimony are based on a metric of the National Economic Council as an advisor, and once the grants are reported and underway, we will collect the data and have accurate information. But the numbers I gave you today were forecast on a metric.

Ms. HIRONO. And are we meeting our job retention and creation goals with the Recovery Fund money?

Mr. PANIATI. I think it is too early to tell. I think we are seeing positive progress. As I reported earlier, we saw a tremendous increase from March and April to May. The number of projects that are underway has increased dramatically, and those projects are really just beginning their construction now as construction season gets into high gear. So I expect another dramatic increase as we get into July and August and September, the prime construction months. So it is hard to pin down exactly where we are, but all the indicators are that we are headed in a positive direction from a job creation standpoint.

Mr. ROGOFF. I would just add that we in Federal Transit also believe we are on track. We just had a law change regarding the Recovery Act signed by the President yesterday that may serve to retain even more jobs. The President signed the supplemental appropriations bill yesterday that included a provision to allow 10 percent of the Recovery Act formula funds to our grantees to be used for operating costs. That is a midstream change in the purposes. We do have a situation where we have got transit agencies that are taking receipt of capital funds, but are simultaneously having to lay off employees; and we are hopeful that that added expansion will allow them to retain those employees and keep them about their business and, rather than curtail bus routes and lay off bus drivers.

Ms. HIRONO. That makes sense.

Thank you. I believe my time is up. Thank you very much.

Mr. DEFAZIO. [Presiding] On your side, Mrs. Miller? Mrs. Miller is recognized.

Mrs. MILLER. Thank you very much, Mr. Chairman. I appreciate all of your testimony. I am sorry I missed most of your testimony; I was at another meeting. But I do think it is very important that we continue to monitor the progress of what is happening with the stimulus funds.

I would like to draw your attention to an AP article that was all over the place around the beginning of May, many of you probably read it, I subsequently wrote a letter to the Chairman and the Ranking Member pointing out the article said Stimulus Watch: Early Aid Leaves Out Neediest.

I like to think of myself as looking at things from a global perspective, but, in full transparency, you cannot believe how bad things are in the State of Michigan, so I am going to be a little parochial in my questioning here, because we do have the dubious distinction of having the highest unemployment month after month after month, and there is no end in sight for us. So we just sort of want to make sure we are getting some attention there.

In fact, this article said 50 percent more per person in areas with the lowest unemployment than areas with the highest. They actually mentioned one of my counties. I have five counties I represent; one is the County of Lapeer that has about almost 20 percent unemployment now, and they weren't getting anything. So I guess I would just like to ask you. I think you have made some corrections. I don't know exactly where Michigan is right now, but just generally knowing, with the kind of unemployment that we have and that we were so far behind with that, could anybody comment on—I don't know if any of you read the article, but where are you now?

Mr. PANIATI. I can say that one of the provisions in the Economic Recovery Act is to give priority to economically distressed areas, and that is something we are working very closely with the State Departments of Transportation on. We have provided them with some tools that they can use to overlay their project selection on the economically distressed areas to see how well they are matching up, and we are providing a lot of oversight to see not only the process they are using, but what the outcome is.

I do know, in information I just got recently, that in Michigan 77 percent of the money thus far that has been authorized has been authorized for projects in economically distressed areas in Michigan. So I do think we are seeing the spirit of the legislation being adhered to and that State DOTs are, in fact, trying to move the money to the most economically distressed areas within their States.

Mrs. MILLER. I appreciate that. It is really sort of Southeast Michigan and down the I-75 corridor into Dayton, I think, is arguably the worst hit from an unemployment standpoint, at any rate, if you use that as a criteria in the Nation; and, as I say, no end in sight. So we are interested in making sure that, in fact, when we talked about the stimulus in regards to transportation spending and had the hearing at this Committee, I was one that said it is too bad we had to use the Highway Trust Fund formula, because Michigan and other States are donor States, actually. If this economic stimulus and we are trying to get the areas that have high unemployment, maybe we could use that as a criteria. I think it would have changed things. I realize that didn't happen, but I made that point.

In fact, now I would like to make one other point going forward. Because of the work of this Committee and others, we were able to negate the necessity for a match with the economic stimulus, because we all said, look, we don't have any money, we can't, believe me, I understand the concept of a match, but these are extraordinary times and some of our States could not have afforded the match. Our governor and our DOT just, a week or so ago, said that we are going to forego about three-quarters of a billion dollars in projects, money that has already been appropriated, authorized, I should say, for Michigan because we don't have the match.

I don't know if I am asking you for a response on this, but I certainly want to mention this because we had a delegation meeting yesterday with our governor, and, from our perspective, we are saying our motorists already paid this money at the gas pump. Now we are going to lose all this Federal highway money because we do not have the match as we go forward for the next couple of years. If there was some way that we could get a waiver from the match. We are not asking the Federal Government for another dollar, we simply want the money that we—instead of that, not only are we a donor State, but it appears as though we are now going to lose almost $800 million—this is our first round of cuts; I am sure more will be coming—because we don't have the match.

I realize I sound like I am groveling here, but I am getting pretty good at abject groveling just for our fair share of money that we already paid. And it is not like it is going to go away. I mean, it is going to go; it is going to go to other States that are doing better than we are because they can afford the match.

I don't know if anyone has any comment on that, but obviously has our total attention in Michigan.

Mr. SZABO. Congresswoman, just one comment from the FRA perspective. As part of the guidance that we issued for our high speed rail grants, no match will be required.

Mrs. MILLER. For the stimulus funds.

Mr. DEFAZIO. Thank you. The time of the gentlelady has expired. Thank you.

Mrs. MILLER. Thank you.

Mr. DEFAZIO. As I said earlier when I passed, I will take my time now.

I guess there are a couple of questions about how we properly measure the impact of the stimulus package, and there was a statement made by the Ranking Member that the funding is trickling out too slowly because of excessive Federal regulations and tied up in red tape.

Now, I am going to ask for a quick response on that, but in terms of the records that are kept here, where half the highway money had to be committed within 120 days of apportionment, my understanding is, as of last week, 43 States and the District have complied. So it doesn't sound like we have a red tape problem here, do we, Mr. Paniati?

Mr. PANIATI. No. Actually, the most recent information we had is that, as of last Friday, all 50 States met that goal.

Mr. DEFAZIO. So all 50 States have managed to meet the 120 day deadline to obligate half of a very substantial investment and get it obligated.

Mr. PANIATI. In fact, as of the latest data, 15 States have obligated more than 80 percent, and Maine 100 percent. So the States are moving with great speed to obligate these funds.

Mr. DEFAZIO. So it doesn't sound like we have a red tape problem here.

Mr. PANIATI. I don't see one.

Mr. DEFAZIO. Okay.

Mr. Rogoff, on your side?

Mr. ROGOFF. Well, the FTA has slightly a longer period to obligate their funds. We have until September 1st. We see ourselves as being on track to do that. Currently, we are at just over 21 percent, but some of our largest systems, which represent a larger part of the money, are at figures that are well north of 20 percent. For the so-called "Rail-Mod" program, we are at a full third of the money already having been obligated. We have some money in discretionary grants that we will be obligating this summer and fall.

As I mentioned earlier, we have 2297 separate grantees. We are working with each and every one of them and we are hopeful that we are going to lapse back very little, if any, money.

Mr. DEFAZIO. Okay, so red tape isn't the problem. We have got more than half the money obligated; some States are at 100 percent. But then we have the question of outlays. Wouldn't outlays be the States and transit entities are both reimbursed, right, after they have expended their own funds?

Mr. ROGOFF. Mr. DeFazio, it is slightly different between the highway program and the transit program. The highway program is really, I would argue, a pure reimbursement program.

Mr. DEFAZIO. Right.

Mr. ROGOFF. In transit, it depends more upon the type of expenditure. Frankly, the transit agencies aren't sitting on a situation of cash where they can await reimbursement, but I would point out a great many of our transit grantees have signaled to us that they are using what is called pre-award authority.

Mr. DEFAZIO. Right.

Mr. ROGOFF. And that is basically a statement by those that are using pre-award authority that they are spending money now. That will not show up in the obligation figures.

Mr. DEFAZIO. Okay. I guess what I would point to is I think that we need to look more at the obligation and then within the States at their progress. And I can understand that the Ranking Member is frustrated because Florida actually has zero projects under which work has begun, so maybe he needs to be talking to his DOT there, I guess, because the problem isn't with Mr. Paniati or the Federal Highway Administration or, as far as we can tell, with transit; somehow they just can't get their projects underway.

I am going to turn now, Mr. Rogoff, to this proposal, the 18-month, which you so ably, as the Chairman said, were a good soldier on. I have a particular concern with FTA. We have a measure which Congress has twice passed legislation to direct the FTA to follow—first we initially changed the law and then we passed legislation to direct the FTA to follow the law regarding how New Start, Small Start projects are scored with something called the black box of TEA sub into which projects go and never emerge, and we feel strongly—Congress, House, and Senate—that the measures are not being followed.

I guess two questions here. Since the President is proposing a status quo continuation of the Bush era policies across the board for 18 months, what are we going to do about cost effectiveness? Then, secondly, I hear some bizarre rumblings from the Secretary that someone in CQ has a bright idea for some new cost-effectiveness measure that would be applied to all transit and highway projects. Whatever that might be, he couldn't explain it; he said OMB was working on it, which concerns me, because we have never managed to get rid of TEA sub and get the FTA to follow the law with the existing CEI process in the agency, and now we are hearing that would be the one policy change they want, is to add another bureaucratic step in the process, but not reform anything else; they are willing to go with the existing bureaucracy. So we have some concerns about that. How are you going to solve it in the case of your agency?

Mr. ROGOFF. In the case of my agency, sir, first, I can't agree with you that what the President is proposing is more of the Bush era policy.

Mr. DEFAZIO. Well, excuse me. Senator Boxer announced today, July 22nd, clean bill, no changes in policy, just money for 18 months. That means, yes, you have some administrative leeway and perhaps you are going through an administrative process to change some of those policies, but the dramatic changes—if you have had an opportunity to review our bill—that we want to make and how your agency and the other agencies of the Department of Transportation operate, which would be dramatically changed and streamlined in our bill—we figure we can go from 14 years average delivery on a major transit project to maybe 3 under our proposal—I don't think you have the administrative leeway to do all that. Plus, OMB still has not repealed, as I understand it, or okayed doing away with the existing——

Mr. ROGOFF. Cost-effectiveness criteria.

Mr. DEFAZIO. Yes.

Mr. ROGOFF. Let me speak to that. For one, I can't speak to what Senator Boxer has proposed, but——

Mr. DEFAZIO. I am just telling you. We just heard about it.

Mr. ROGOFF.—it is not what the President has proposed. When you really look at what you have reported out of your Subcommittee—I have to admit we haven't seen every dot and tittle of it, but we are familiar with it—there is actually a remarkable confluence on some policy issues between what the President's 18-month proposal is. It includes a livability component that he wants to see in the 18-month extension; it includes a metropolitan mobility initiative, which you also have in your bill.

And, yes, it does have an issue related to cost benefit analysis, but that proposal for cost benefit analysis is not a mirror of the transit New Starts process. No one in this Administration is particularly content with how things are going with the transit New Start process, and I will tell you, if we brought that process as it was done under the last administration to bear on highway projects, nothing would get built.

Mr. DEFAZIO. That is right.

Mr. ROGOFF. And no one is proposing to do that. What the President is proposing to do is put together a program where we can stand up the ability for MPOs and States to choose better projects. He is not saying that that is necessary brought to bear——

Mr. DEFAZIO. Okay, if I could interrupt, I think we have already said you have looked at our bill. We are proposing major reforms in MPOs and major reforms in how the process goes forward, how the projects are selected. We are applying new criteria which meet the concerns of the President in terms of livability, greenhouse gas reductions, and a whole host of things, and you are saying you want those policy changes.

So I guess the question becomes, since we seem to be so close together in terms of the policy and the streamlining and the changes we want to make and we are in agreement on those, then the only difference seems to be whether it is 18 months or six years; and, as I understand the aversion to a longer term, it is because they don't want to approach the revenue issue. I am proposing a very simple revenue issue and I gave it to Chief of Staff this morning. I am proposing it to Ways and Means.

We have heard that we have run up fuel costs or oil 50 percent—or it has doubled, 100 percent—because of speculators. Well, pretty simple. We take Larry Summers' proposal from 1989 about taxing these sorts of transactions, we apply a .2 percent, two one hundreds, .002 to every speculative trade in oil; we raise $40 billion a year and pay for the bill.

So if we are in agreement on the policies and we can find a way to raise the money without taxing consumers, would the Administration then agree to a longer term extension, do you think? I know you can't answer that.

Mr. ROGOFF. The Administration is focused on getting us passed bankruptcy in August.

Mr. DEFAZIO. Right. Well, we are happy to work with them on that.

Mr. ROGOFF. And doing it for a 18-month period with reforms. Now, in fairness, we see a lot of confluence, as I have pointed out, between your Subcommittee product and our principles for this extension, but there is another Committee we haven't heard from, Ways and Mean, and how a $500 billion bill is going to get paid for. And, right now, during this economic time, the Administration is not——

Mr. DEFAZIO. Well, 450 is trust funded or General Fund into transit. Of that, because of the way scoring and outlays work, we need to raise an additional $140 billion. I have got a way that we can easily raise 240, so then the President would have 50 left over for high speed rail, which you included in the 500, which is subject to appropriation.

Mr. ROGOFF. That is right.

Mr. DEFAZIO. And then I would have 50 left over for health care or something else, deficit reduction or whatever.

Well, thank you. I have exceeded my time. Are there any other Republicans? Mr. Cao, have you had your time yet?

Mr. CAO. Thank you very much. I have not.

Mr. DEFAZIO. Okay. You are recognized.

Mr. CAO. Mr. Rogoff, what is the Administration's plan after the 18-month extension were to expire?

Mr. ROGOFF. Well, I think the Administration is looking at this reauthorization basically as a two-phase process, and the 18-month extension with reforms is the first phase.

I think that is one of the things that has been lost in the dialogue here. The Administration is not asking for the reauthorization process to come to a halt. As far as we are concerned, work on a long-term reauthorization should continue through dialogue between the Administration, between the House and the Senate, and we should have a meaningful conversation about what we should be standing up in the next 18 months so, when we can do a longer term extension after that and come to agreement on the finances, we can have a multi-year bill with a financing mechanism. The economy being where it is, the Administration is not comfortable talking about new revenues at this time, and that is why the President's budget in 2010 has an increase for highways, an increase for transit, albeit more from the General Fund than the Trust Fund.

Now, you asked what the specifics were. In addition to a metropolitan access program that they want to see in the 18-month extension, which is a concept captured in this Committee's bill, there is also a livability component in the 18-month extension. That also bears resemblance to some of the things being done in the Committee bill. We are strongly of the view that there should be no earmarks during this 18-month period, and that the $20 billion that is needed to bail out not just the highway account of the Trust Fund, but the mass transit account, is going to have to be responsibly paid for.

That is the Administration's proposal while we work together on a longer term bill and the revenue sources to pay for it.

Mr. CAO. Now, the Recovery Act requires the States to give priority to projects that are located in economically distressed areas. Is there a system that you have implemented in order to make sure that that is the case, that the States are giving priority to those areas that are distressed, or the governors and/or the State legislators are simply allocating funds for political purposes?

Mr. ROGOFF. I am going to let Mr. Paniati take that one.

Mr. PANIATI. That is a provision specific for the highway funds. It is one of several factors that needs to be considered in selecting projects. We obviously have to have projects that are ready to go, that have moved through the environmental process and the planning process and are ready to move to construction. What we are seeking to do is to have as many of those projects as possible be located in economically distressed areas. So we have developed a mechanism by which we can look at, within any given State, where the economically distressed areas are and overlay on there where the projects are within those economically distressed areas.

Each division office and division administrator is working closely in reviewing the process the State is using for selecting projects, as well as the outcome from that process, which is how much money is actually going to economically distressed areas. Right now we are just beginning to get information about that, but we have seen, in a number of States, I referred earlier to Michigan, we see 77 percent of the funding that has been obligated to date in Michigan is being used in economically distressed areas.

We are seeing similar figures in other States, such as Mississippi and Idaho. So it is giving us some sense that, yes, the provisions in the Act are being adhered to and we are seeing money flow to economically distressed areas as part of the economic recovery funding.

Mr. CAO. Now, does your agency have any kind of mechanism to make sure that the monies that are obligated to be used expediently in order to actually put it to good use, rather than simply obligating the money and just have it sit there?

Mr. PANIATI. The projects that are being selected are projects that are ready to go, so we are seeing those projects move very quickly from obligation to advertisement to award to underway. That is why, when we look at we have 5,000 projects that have been approved to date, already 1,500 of those projects are underway.

So we are seeing projects move very quickly through the pipeline. The State DOTs are very committed to seeing that happen, as are the local governments, so I don't think we are going to see a lot of money sitting around. We are seeing projects move very quickly to getting people to work.

Mr. CAO. Now, I see that the transportation outlays, as provided on this map, provides a certain money allocated to each State. Are the numbers here set in stone or are there wiggling room for you all to move funds from one State to another?

Mr. PANIATI. On the highway side, the monies are apportioned, so they are distributed by formula, so there is no discretion, with the exception of a discretionary program in the law, which provides $1.5 billion of discretionary funding, that the Secretary will make the selections on. That is being worked in a multi-modal manner. Representatives from each of the modes represented here are participating in that process for establishing the criteria for that grant program and will participate in reviewing the proposals that come in. So that is the one program that is very flexible and will be able to be used in a variety of different ways.

Mr. ROGOFF. The only thing I would add, sir, is we do have provisions where, if funds are not used, which is to say they are not obligated by the deadlines in the law, they are reallocated to players that are prepared to use the money. So in that regard we are not locked in to the distribution list you are seeing on your map there. If funds are freed up from those that have not put them to use, they will be moved to those that can.

Mr. DEFAZIO. Ms. Edwards? Wait a minute. I am sorry. I am getting confused. Is she next? All right. I do things in the order in which people arrive. I don't know if the staff kept track, but I guess we are going by order of seniority, so Ms. Richardson.

Ms. RICHARDSON. Thank you, Mr. Chairman.

And thank you, Congresswoman Edwards.

First of all, I would like to attest before the Committee that I have had an opportunity to go to three events, particularly with aviation, of these recovery dollars being distributed, and I want to attest to the fact that it in fact is happening, both at Los Angeles International Airport, Compton Woodley Airport, and then recently with Secretary Napolitano at San Francisco Airport. So in that sense I have seen great progress and want to commend you.

Mr. Paniati, I want to build upon the line of what Mr. Cao was just asking you in terms of questions. In your report, on page 1, you say that through the efficient implementation of the Recovery Act projects, FHWA plays a key role in creating jobs, putting people back to work, and keeping families from home foreclosure.

Further, you say, on the same page, the Recovery Act has energized working people and companies of all sizes, and is a lifeline for Americans who work in construction and have especially been hard hit by the recession. Then, on page 4, you talk about that every new project we obligate is a signal for States to advertise contracts and for contractors to begin hiring workers and ordering materials like steel, asphalt, and concrete

I have read all of your presentations and I would just say it was a little light on providing information in that area. Do you have any information of what new contracts were established, what new people were hired? Because that was really part of the focus of the recovery, was not just to the companies that already have major contracts and have people working, to put them now on overtime; it was to give new people an opportunity to come in.

Mr. PANIATI. All of the money is being used on new projects, so——

Ms. RICHARDSON. I am sorry, sir, that is not what I asked you. My question isn't the new projects; the question is, of those projects—because that is what I understand where the money is supposed to be spent—are new contractors coming in? Are new people jobs?

Mr. PANIATI. I don't have data on that. What I can tell you is that a significant effort for us is to work with the State departments of transportation to ensure that companies of all size and all varieties benefit from the recovery. So, for example, there are DBE provisions in the law. We have been very aggressive from the beginning in reaching out to State DOTs to provide guidance on those DBE provisions, to provide education on those provisions, and to ensure that the DBE goals that exist under ARRA are the same goals that exist under the regular Federal aid program. States have been very aggressive in holding a variety of outreach and workshop sessions with the contracting community to try to bring in a broader range of contractors——

Ms. RICHARDSON. I am sorry, sir, I have got two minutes. Do you have specific results of what has happened from those States? Do you have the numbers?

Mr. PANIATI. I do not have numbers on contracts at this point.

Ms. RICHARDSON. Could you provide them to this Committee?

Mr. PANIATI. Sure. We would be happy to do that.

Ms. RICHARDSON. Specifically what your State DOTs, who they have reached out to, what have been the results, are more new people working, and so on, the questions that I already asked.

Mr. PANIATI. We would be happy to do that.

[The referenced information follows:]

[INSERT FOR THE RECORD, P. 88, AFTER LINE 2004]:

[QUESTION FROM Rep. Richardson (Pages 85-88): With ARRA money, what NEW contracts were established, what NEW people were hired? What State DOTs have done (to ensure that companies of all sizes and varieties benefit from ARRA/who State DOTs have reached out to, what have been the results/are new people working?]

Response:
FHWA does not separately track "new" contracts or "new" people in reporting. The American Recovery and Reinvestment Act targets both job creation and job retention. To the degree that spending maintains current positions it will succeed in providing jobs to the American economy. Special provisions in the Recovery Act provide support for training and disadvantaged business enterprises. Those provisions will enable "new" workers to obtain the job skills necessary for employment in highway construction. In addition, existing disadvantaged businesses and new businesses will be part of the FHWA Recovery Act workforce.

FHWA understands that many States have initiated outreach to contractors in their States concerning the Recovery Act funded projects. FHWA does not track this outreach, as different States employ different methodologies for outreach, based on the size of the State and industry relationships. These activities may include webinars, participation, and employment opportunity fairs.

We are starting to see people working on the highway projects. As the summer construction season rolls forward, FHWA will continue to monitor and report the success of providing well paying jobs to workers who may currently be unemployed or would otherwise become unemployed but for the expenditures of the Recovery Act.

Ms. RICHARDSON. Further building upon the economically distressed areas, in here, on page 5, you say that you have a tool to utilize the geographic information system mapping technology to identify the EDAs using information on a per capita income and unemployment rate at the county level. Could you please supply that information to this Committee?

Mr. PANIATI. Sure. I'd be happy to do that.

Ms. RICHARDSON. Okay. And that would include, I would assume, the percentages of all the areas of how that mapping is going?

Mr. PANIATI. Sure.

Ms. RICHARDSON. Okay. When you have that report, and I asked you pretty much from a tracking perspective, if you could provide the actual results. That would be important as well.

[The referenced information follows:]

[INSERT FOR THE RECORD, P. 88, AFTER LINE 2019]

[QUESTION FROM Rep. Richardson (Page 88): Regarding the EDA diagnostic self-assessment tool that utilizes geographic information system mapping technology to identify EDAs using info on per capita income and unemployment rates and the county level, please supply that information to the Committee, including percentages of all the areas of how that mapping is going. Provide tracking and actual results.]

Response:
FHWA has carried out a broad range of implementation activities relating to the EDA priority, including creation of the EDA mapping tool.

Immediately after the passage of the Recovery Act on February 17, 2009, FHWA developed maps for the States to use to identify EDAs. The FHWA maps are consistent with section 301 of the Public Works and Economic Development Act of 1965, as amended (PWA). The maps are based on the latest available Federal data using the income and unemployment criteria in the PWA. The income data are obtained from the US Department of Commerce's Bureau of Economic Analysis, and the unemployment data are from the US Department of Labor's Bureau of Labor Statistics.

The EDA data were fed into a GIS mapping-based format for ease of presentation and posted on FHWA's Recovery website. The EDA maps have been updated three times with more recent Federal data. The most recent version is dated May 12, 2009. The mapping is complete for all States, and future updates to the EDA maps will occur quarterly, with the next update scheduled for August 2009. This information is publically accessible at: http://hepgis.fhwa.dot.gov/hepgis_v2/GeneralInfo/Map.aspx

FHWA Headquarters has delivered numerous training and outreach sessions through webinars and video conferences, as well as by conference calls, to provide training on implementation of the Recovery Act and on the EDA provision. These sessions included instruction on the use of the EDA maps for the FHWA Division Offices, the State DOTs, and local agencies to ensure that they are aware of the maps and know how to access and use them. The mapping is complete for all of the States.

As of July 6, 2009, $16.4 billion of Recovery Act funds have been obligated. Of that amount, $9.3 billion or 56.7 percent has been used to support 3,306 projects in EDA areas.

And that is it. I yield back the balance of my time. Thank you, Mr. Chairman.

Mr. DEFAZIO. I thank the gentlelady.

Ms. Edwards.

Ms. EDWARDS. Thank you, Mr. Chairman.

I want to follow up on this question because this has been a huge concern in my State of Maryland. We have managed to get out a lot of contracts; we had a lot of projects in the pipeline, but the question is whether the jobs that are created and the distribution of those contracts around our State really reflects where the need is for the jobs.

So even though our State enjoys, by other States' standards, a comfortable 7.2 percent unemployment rate, and we are grateful for that, still, it is high for us; and there are pockets of our State, and particularly in the district that I represent, just outside of the District of Columbia, that has higher pockets of unemployment, where we have minority and other contractors who I don't believe have fully enjoyed the benefit of the recovery funds that have come into our State.

I would like to hear from the Administration, from the Department of Transportation really directly by States—and you can go in whatever order you want, but I want Maryland in that list—to know who has gotten those contracts, where are the jobs created, where do people come from in the State, and does that actually really represent where the biggest pockets of unemployment are in our various States? And I am speaking just from a State that has relatively low unemployment by comparison.

Mr. ROGOFF. Well, I will kick it off, only to point out this, Ms. Edwards. In the Federal Transit Administration, our formula dollars are not just formula dollars sent to States, they are sent to urbanized areas, and also to rural areas, and they are targeted to where the people are and where the transit providers are. They are not necessarily targeted to where unemployment is.

But you raised another issue that we take very seriously, and that is the outreach to disadvantaged businesses. I can assure you that we apply the DBE requirements-- the goals and the challenges there-- to every dollar that has gone through the Recovery Act in my agency, and I believe the other modes do so as well. We have had eight different outreach sessions in all of our regions. We have put out a great deal of information and have reached out to grantees to ensure that they know that these rules apply. We will be getting an update on their progress shortly. We get those updates every six months as it relates to DBE participation in the program.

Ms. EDWARDS. And I appreciate the outreach, but our businesses would appreciate a contract.

Mr. ROGOFF. Absolutely.

Ms. EDWARDS. So I want to know much more about contracts, and I think this is particularly true for the States—and, Mr. Paniati, perhaps you could speak to this—to the State letting of contracts, because in our State, when things are already in the pipeline, in a lot of those instances contractors have already been identified, they just didn't have the money to really let the contracts. So I have a real question whether those resources are spread fairly around the States and what you are doing to monitor that, and then to get back to us about where States may not be making the mark and what the agency can actually do to better enforce those requirements.

Mr. PANIATI. I would be happy to get back to with specific data for Maryland and other States as well, but I can tell you that it is a priority of the Federal Highway Administration to ensure that the DBE provisions are implemented and that the money is being equitably spread. Our division administrators have been working closely with the State DOTs on this. We have been working with the States to have the kinds of outreach sessions that Mr. Rogoff indicated.

We are also looking at the outcomes to see what percentages of the contracts are going to DBE contractors. We are very strongly encouraging them to look beyond the traditional contracting community and to provide supportive services and other help to bring new businesses into the fold, so to speak, and that is happening. So I will get back to you with specifics about Maryland and what is going on there.

[The referenced information follows:]

[INSERT FOR THE RECORD, P. 91, AFTER LINE 2096]:

[QUESTION FROM Rep. Edwards (Pages 88-91): Regarding whether jobs and contracts created using ARRA funds in a State really reflect where the need is—who has gotten contracts, where are jobs created, where do people come from in the State, and does that actually represent where the biggest pockets of unemployment are in our various States? Are resources spread fairly around States, and what are we doing to monitor that? What States may not be making the mark and what can the agency do better to enforce DBE requirements? Include Maryland in answer.]

Response:
The purpose of the American Recovery and Reinvestment Act is both to create jobs where they are most needed, and to reinvest in America's infrastructure where it is most needed. The greatest need for infrastructure is often, but not always, in areas with the greatest need for jobs. Each State has tried to balance those priorities, as well as the need to select projects that are "shovel-ready," in order to meet the statutory deadlines. FHWA has attached the list of the projects in Maryland that have been issued a notice to proceed to date. The name and address for each of the prime contractors is also available. However, FHWA does not have the ability to track precisely where employees reside in a particular State. In a regional economy like Maryland, workers typically travel to match their job skills with the highest paying position available to them. The FHWA Resource Center is currently providing technical assistance to States regarding the requirements of the DBE Program. In an effort to better target resources, the FHWA Headquarters staff has requested the Division Offices to assess each State's performance in fulfilling the DBE requirements. We are currently evaluating the Division Offices' responses to determine what immediate actions may be needed to help the States succeed.

State	County	City	Congressional District	Federal Project Number	Project Description	Improvement Type	Proceed Date	Total ARRA Funds
Maryland	ANNE ARUNDEL		1	000A368	Resurfacing	Pavement Improvement	6/22/2009	$4,657,659
Maryland	CALVERT		5	000A369	Resurfacing	Pavement Improvement	5/5/2009	$4,612,059
Maryland	CHARLES		5	000A370	Resurfacing	Pavement Improvement	4/29/2009	$4,623,563
Maryland	ST MARYS		5	000A371	Resurfacing	Pavement Improvement	5/20/2009	$4,616,619
Maryland	CECIL		1	000A379	Resurfacing	Pavement Improvement	6/9/2009	$2,299,728
Maryland	KENT		1	000A380	Resurfacing	Pavement Improvement	5/20/2009	$2,314,963
Maryland	QUEEN ANNES		1	000A381	Resurfacing	Pavement Improvement	5/20/2009	$2,309,460
Maryland	TALBOT		1	000A382	Resurfacing	Pavement Improvement	5/5/2009	$2,288,732
Maryland	STATEWIDE			000A386	Sidewalks	Pavement Improvement	6/24/2009	$2,377,547
Maryland	STATEWIDE			000A387	Sidewalks	Pavement Improvement	6/16/2009	$3,612,818
Maryland	STATEWIDE			000A388	Sidewalks	Pavement Improvement	6/23/2009	$2,302,300
Maryland	DORCHESTER		1	000A395	Resurfacing	Pavement Improvement	3/11/2009	$2,205,364
Maryland	SOMERSET		1	000A396	Resurfacing	Pavement Improvement	3/11/2009	$2,320,897
Maryland	WICOMICO		1	000A397	Resurfacing	Pavement Improvement	4/8/2009	$2,291,662
Maryland	WORCESTER		1	000A398	Resurfacing	Pavement Improvement	3/11/2009	$2,328,142
Maryland	STATEWIDE			000A400	Guardrail	Safety/Traffic Management	6/9/2009	$379,808
Maryland	STATEWIDE			000A401	Guardrail	Safety/Traffic Management	6/9/2009	$299,042
Maryland	STATEWIDE			000A402	Guardrail	Safety/Traffic Management	6/3/2009	$268,485
Maryland	STATEWIDE			000A403	Guardrail	Safety/Traffic Management	5/20/2009	$341,541
Maryland	STATEWIDE			000A404	Guardrail	Safety/Traffic Management	5/20/2009	$297,440
Maryland	STATEWIDE			000A405	Guardrail	Safety/Traffic Management	5/21/2009	$498,332
Maryland	ALLEGANY		6	000A406	Resurfacing	Pavement Improvement	6/9/2009	$2,297,378
Maryland	CARROLL		6	000A409	Resurfacing	Pavement Improvement	5/18/2009	$2,277,771
Maryland	HARFORD		2	000A410	Resurfacing	Pavement Improvement	6/9/2009	$4,592,808
Maryland	MONTGOMERY		8	000A411	Resurfacing	Pavement Improvement	5/20/2009	$4,576,033
Maryland	MONTGOMERY		4	000A412	Resurfacing	Pavement Improvement	5/27/2009	$5,152,037
Maryland	PRINCE GEORGES		4	000A413	Resurfacing	Pavement Improvement	6/15/2009	$4,576,062
Maryland	PRINCE GEORGES		5	000A414	Resurfacing	Pavement Improvement	5/20/2009	$4,576,062
Maryland	WASHINGTON		6	000A415	Resurfacing	Pavement Improvement	5/20/2009	$2,287,492
Maryland	FREDERICK		6	000A416	Resurfacing	Pavement Improvement	5/21/2009	$4,592,808
Maryland	GARRETT		6	000A417	Resurfacing	Pavement Improvement	6/9/2009	$2,284,068
Maryland	HOWARD		7	000A418	Resurfacing	Pavement Improvement	5/18/2009	$4,591,671
Maryland	STATEWIDE			000A419	Safety	Pavement Improvement	6/9/2009	$1,344,595
Maryland	CAROLINE		1	000A420	Resurfacing	Pavement Improvement	6/9/2009	$2,308,339
Maryland	PRINCE GEORGES	WASHINGTON	4	000A421	Clean/Paint Bridges	Bridge Improvement	3/11/2009	$1,714,856
Maryland	PRINCE GEORGES	WASHINGTON	Multiple	000A422	Clean/Paint Bridges	Bridge Improvement	3/30/2009	$1,669,096
Maryland	STATEWIDE			000A423	Guardrail	Safety/Traffic Management	6/10/2009	$833,976
Maryland	STATEWIDE			000A424	Guardrail	Safety/Traffic Management	6/15/2009	$833,976
Maryland	STATEWIDE			000A425	Guardrail	Safety/Traffic Management	6/9/2009	$1,904,760
Maryland	STATEWIDE			000A426	Guardrail	Safety/Traffic Management	6/15/2009	$852,738

Maryland	STATEWIDE			000A427	Signing	Safety/Traffic Management	3/16/2009	$5,075,685
Maryland	STATEWIDE			000A428	Guardrail	Safety/Traffic Management	6/15/2009	$2,083,487
Maryland	STATEWIDE			000A430	Signalization	Safety/Traffic Management	6/16/2009	$1,824,752
Maryland	STATEWIDE			000A433	Signalization	Safety/Traffic Management	6/25/2009	$1,672,809
Maryland	ALLEGANY		6	682033	Safety and Resurfacing	Pavement Improvement	6/8/2009	$3,348,757
Maryland	STATEWIDE			682034	Guardrail	Safety/Traffic Management	4/20/2009	$1,471,190
Maryland	FREDERICK		6	703055	Safety and Resurfacing	Pavement Improvement	6/15/2009	$3,642,258
Maryland	BALTIMORE		3	832214	Safety & Resurfacing	Pavement Improvement	6/24/2009	$4,338,694
Maryland	STATEWIDE			953182	Landscaping	Transportation Enhancements	4/29/2009	$397,006
Maryland	FREDERICK		6	1051025	Resurfacing	Pavement Improvement	6/9/2009	$2,602,428
Maryland	FREDERICK		6	1074009	Geometric Improvements	Pavement Improvement	4/23/2009	$1,866,782
Maryland	CECIL		1	1266003	Ridesharing Facilities	Pavement Widening	6/22/2009	$316,386
Maryland	STATEWIDE			1271048	Landscaping	Transportation Enhancements	6/15/2009	$111,097
Maryland	DORCHESTER		1	1301141	Resurfacing	Pavement Improvement	6/15/2009	$1,193,354
Maryland	GARRETT		6	2011027	Safety and Resurfacing	Pavement Improvement	6/15/2009	$1,325,696
Maryland	GARRETT		6	2011028	Safety & Resurfacing	Pavement Improvement	3/11/2009	$1,669,548
Maryland	GARRETT		6	2061022	Safety & Resurfacing	Pavement Improvement	4/1/2009	$2,133,956
Maryland	MONTGOMERY	WASHINGTON	4	2491025	Safety & Resurfacing	Pavement Improvement	3/3/2009	$2,107,066
Maryland	PRINCE GEORGES	WASHINGTON	4	2541010	Safety & Resurfacing	Pavement Improvement	6/24/2009	$2,230,545
Maryland	FREDERICK		6	2707175	Safety & Resurfacing	Pavement Improvement	3/26/2009	$986,514
Maryland	CAROLINE		1	3001045	Safety & Resurfacing	Pavement Improvement	6/9/2009	$841,137
Maryland	BALTIMORE CITY	BALTIMORE,MI	Multiple	3341002	Rehabitation	Pavement Improvement	6/22/2009	$7,572,091
Maryland	HARFORD		1	3631001	Safety and Resurfacing	Pavement Improvement	6/22/2009	$1,235,277
Maryland	MONTGOMERY	WASHINGTON	4	5018026	Safety and Resurfacing	Pavement Improvement	6/9/2009	$3,890,002

Ms. EDWARDS. I would really appreciate it, and I think it goes to the question that we will deal with down the line, is not just these stimulus funds, but how do we deal with these contracts down the line as we go to authorization; and I want to just say a word on that, two things.

One, Mr. Rogoff, I really thank you for pointing out the ability of transit systems to use those operating funds, because our district was one of those with the Metro D.C. system that was really facing cuts in bus routes at a time we thought we were stimulating work. But I share the concern of this Committee, from this Member, that 18 months is just unacceptable in terms of a delay in our authorizing what ought to be a companion between what we do in transportation and what we do with our energy policy. So I think Congress has its own obligations and fiscal responsibilities, which we will meet, whether or not the Administration is prepared to meet them.

Thank you.

Mr. DEFAZIO. I thank the gentlelady.

Mr. Hare.

Mr. HARE. Thank you, Mr. Chairman.

Mr. Boardman, we have kind of left you alone here for a while, but now you are it. You mentioned that Amtrak expects to award about $190 million worth of projects. I wonder if you are aware, when I have one—a lot of Members have been talking today about some projects in their districts, and the Quad City to Chicago passenger rail and then from the Quad Cities west to Iowa City, my understanding is this would create about 800 jobs, cost about $23.2 million, and estimated about 170,000 riders on that particular project.

We have worked very hard on this, Congressman Braley and myself. I know both governors of the States have endorsed the project. Do you know much about this and is this something that you folks could help us with or something you have already taken a look at? If you could just help me out there.

Mr. BOARDMAN. Certainly. Number one, we do know a little bit about it and we have been helping you. Our staff, Mike Franke I think has been out there working on a regular basis both to the Quad Cities and also into Iowa to look at what can be done now. Of course, to get into Iowa, we have got some projects that we need to do in Illinois to make that happen.

That is part of what we are looking at for the $8 billion side of what is going to happen, which the FRA provided, and perhaps the Administrator would want to comment on this as well, but there is a requirement that now that there is an application made by the State of Illinois or by Iowa to receive those funds, and they need to be competed for in the overall concept of what is happening with the $8 billion and whether they are really ready to go at this point in time or whether they aren't. We do understand the need of it and we understand the interest, and we are working with them.

Mr. HARE. I was going to say, because my understanding is both States are going to do a dual application, I think Iowa and Illinois.

Mr. Szabo, do you know much about this? Can you help me out here a little bit?

Mr. SZABO. Well, certainly——

Mr. HARE. Actually, you could help me out a lot if you just give me $23.2 million.

Mr. SZABO. That is what I was going to say it would certainly be inappropriate for me to comment on the merits of any particular application at this time.

Mr. HARE. Right. I understand.

Mr. SZABO. But the grant guidance is out. There will be a pre-application period which will allow us to review and give some assistance, some guidance to the various DOTs to make sure that they are applying in the appropriate track under our grant guidance that would be most beneficial for them. You know, the biggest thing that we have urged is that there be a high level of regional cooperation, so making sure that the Iowa DOT and Illinois DOT work closely together on that application would be very beneficial.

Mr. HARE. Lastly, Mr. Boardman, let met just say that your staff has been very, very cooperative, and I really appreciate that. They have done a wonderful job helping out here. It is a big project for our area that has been really hit economically hard, and that is something that I am hoping that, if we cross our fingers here, we may just get lucky and be able to land 800 jobs full-time, and long-term jobs would be great.

So let me thank you all for being here today and I yield back, Mr. Chairman.

Mr. BOARDMAN. Thank you, Mr. Hare.

Mr. DEFAZIO. I thank the gentleman.

I will proceed with another round of questions and yield myself such time as I may consume.

I am a bit puzzled about the 18-month proposal, and I would direct this to Mr. Paniati and Mr. Rogoff. In FTA, obviously, the funding is a little different, but outside your full funding grant agreements in FTA for your regular apportionment and formula programs, and our major transit districts, for the most part, who have vast capital infrastructure needs—the City of Chicago, $6 billion of deferred maintenance; we have had a tragedy here which may have to do with deferred acquisition of new equipment or maintenance, we don't know yet.

But if we set an 18-month parameter, how are any of these States going to undertake a project that takes two years, three years, four years, or five years, which many major projects do, when they are only essentially guaranteed 18 months funding? We ran into this during the last authorization. We saw a dramatic drop-off in projects and particularly larger, longer term projects because of the uncertainty created by the temporary extensions, and this essentially would be a temporary 18-month extension of current funding levels and/or policies, depending upon whether we can work things out on policy changes.

Mr. Paniati first. How is the State going to plan a two or three year major project if they are only guaranteed 18 months of funding?

Mr. PANIATI. Well, I believe the States would have faith in the Administration——

Mr. DEFAZIO. No, but my State and many States are constrained by their State constitution and other fiduciary responsibilities. They cannot commit themselves to something for which they cannot reasonably guarantee or foresee revenues. And just saying, well, gee, the Government will make good on, if you plan a three-year project, but we have only got 18 months of funding, trust us. It didn't work during the last reauthorization. Why is it going to work now when States are in much worse shape financially and their capability of borrowing is dramatically reduced because of the problems in the financial markets? Why is it going to work better no than it did then?

Mr. PANIATI. The States would still be able to obligate projects with the funding provided, so if the funding was available under the 18 months, it would not at all restrict their ability——

Mr. DEFAZIO. Right. But if the project is going to take three years to complete and we anticipate we can outlay maybe a third of that under the 18 months, but two-thirds we are going to have a project that is hanging out there, two-thirds of the money is not available and they can't get to that part of the project and ask for reimbursement during the 18-month period, how is it that they are reasonably going to plan that project, or do you think they might just pull back from these major projects like they did the last time?

Mr. PANIATI. I think the reason they pulled back the last time is that the money was coming out in small increments—some of the extensions were for a matter of weeks. I think it is different when we are providing a full year——

Mr. DEFAZIO. Yes, but the point is uncertainty. Okay, thank you. I don't think you have answered it.

Mr. Rogoff?

Mr. ROGOFF. Well, I think Jeff's point is well taken. I was obviously working in the Congress when they were doing those short-term extensions, and some of them were as short as a few weeks. Part of the Administration's thinking in doing a full 18-month extension, and not a 6-month or a 3-month or a 12-month, is to provide stability during that time.

What is forgotten here is the centerpiece of that proposal is to get us passed the biggest hurdle we face of all, and that is the imminent bankruptcy of the Highway Account with the mass transit account going bankrupt not that long thereafter. And I think of the——

Mr. DEFAZIO. Let's just not alarm the public too much. They don't go bankruptcy, they go into cash flow insufficiency. There is still income; it is an——

Mr. ROGOFF. Absolutely. But as you pointed out yourself, Mr. Chairman, the States are strapped in ways that they have never been before, so the States' ability to float money while the Federal Highway Trust Fund doesn't reimburse them, if they ever had that ability, they certainly don't have that ability now.

Mr. DEFAZIO. Right. Well, I am well aware of that, and that is why we are concerned about 18 months versus the predictability of six years and enhanced investment to begin chipping away at our infrastructure deficit. As I understand the 18-month proposal, it is basically continuing this year's levels of expenditures, right?

Mr. ROGOFF. No, it is based on the President's budget, which has increased levels of expenditure in 2010 for both highways and transit.

Mr. DEFAZIO. Okay. And that anticipated General Fund——

Mr. ROGOFF. A greater level of General Funds.

Mr. DEFAZIO. And where is the General Fund money going to come from? Senator Murray has already expressed a lot of concern about her other transportation needs being robbed to move money over here. I guess you have said several things today that are a bit surprising. One is that there are major policy changes that the Administration would like to see in the 18 months, we have not seen those, and I will get this to a question in a moment, that there would be some sort of new cost benefit analysis, which we had heard, which we have not yet seen yet; and, according to Secretary LaHood—I don't think you said this today, but obviously it is assumed in your remarks—that there will be funding offsets or revenues.

I guess we have taken revenues off the table, so I guess I would like to know what are the offsets, when are we going to see the cost benefit analysis, when are we going to see the policy changes? Because since we seem to be in sync with you on needed policy changes and the Senate, both Senator Murray and Senator Boxer have said no policy changes, it would be useful to begin a dialog and see what your proposals are if you want us to move policy changes, because right now the Senate is saying no policy changes.

Mr. ROGOFF. Well, we are certainly happy to share the concepts both with you and the Senate. I think on the cost benefit analysis——

Mr. DEFAZIO. When will they be shared? Because I asked Secretary LaHood last week and he said it was up to OMB. And we know that they are as big a black hole as TEA sub.

Mr. ROGOFF. I am obviously not in a position to go out farther than he has.

Mr. DEFAZIO. Okay. Well, so we are basically waiting, and you guys have some big plans, but we don't know about them, and it has got to be done basically by the end of July.

Mr. ROGOFF. Well, I think we have presented some granularity as it relates to the concepts. Do we have bill language? No, none to transmit at this time.

But as far as the cost benefit analysis goes, given our dialog before, as I understand it, it is not about leveling a new cost benefit analysis on each and every State and local project, it is about standing up an ability for our State DOTs and our MPO partners to develop the capability, which some of them do not have now, to bring cost benefit analysis to bear on the projects they choose.

Mr. DEFAZIO. And to compare projects across modes and have flexibility——

Mr. ROGOFF. Amen.

Mr. DEFAZIO. Okay. Well, that is in our bill, so I would recommend our bill to you.

I believe Ms. Norton has questions. Ms. Norton, would you like to proceed at this point?

And I would ask Ms. Edwards to assume the Chair at this point, if you could. Thank you. I appreciate your doing that.

You are recognized.

Ms. NORTON. Thank you, Mr. Chairman.

Mr. Paniati, I have got a couple of questions for you. I wonder if you are familiar with the $20 million in the Highway Trust Fund for use in training for pre-apprentice and apprenticeship programs because of the concern Congress had that the construction industry, burdened with some of the highest unemployment in the Country, also has not been replenished with new people. In fact, some of these people are aging out, that is to say, the train journeymen.

Meanwhile, not in about 25 years has there been a program of the kind there was in the 1970s, when the industry itself was found by the courts to have discriminated; and I hasten to add that is not the condition of the industry today. But at that point it was recognized that what was needed was not only so-called affirmative action programs, but training, and there was management labor with Government, also a party to funding.

For 25 years that has not been the case, so you have got a construction industry that is a largely white male industry for that reason; not because of the old problems of discrimination, but because there has not been systematic training of minorities and women who would be the new workforce.

Now, we put a small amount in and somebody would have to sit down and figure out its distribution for pre-apprentice and apprenticeship programs. I am trying to get a straight answer on what is being done with that funding.

Mr. PANIATI. Yes. We would agree that it is an important element of the program. What we have done is taken a two-pronged approach with that $20 million. The first part of that was to go out and solicit proposals from existing on-the-job training programs that were out there, because we felt like that was a quick way to get some money out and to continue those programs.

We have received proposals, we have evaluated those proposals, and we expect within the next month to make announcements on $6.7 million of funding to more than 20 jurisdictions to support on-the-job training programs, as well as $1.5 million that would go to the Bureau of Indian Affairs for use on tribal lands.

The second approach was to take the remaining funds, approximately $12 million, and to look for proposals from new programs, from ones that go beyond those that existed already. We issued a solicitation for that program; it has closed. We have the proposals. I think we have something like $25 million of requests for that about $12 million of availability. We are in the process of evaluating those proposals as we speak, and we expect to make awards in July for the remainder of the funding.

Ms. NORTON. Mr. Paniati, I couldn't be happier with your response. I hadn't been able to find out where responsibility was located and what has been done. In what office is that very important work that has been started so well, what office is responsible?

Mr. PANIATI. It is within our Office of Civil Rights within the Federal Highway Administration.

Ms. NORTON. I couldn't be happier that you have gone ahead and done this. I was concerned that the GSA, if $20 million is a small amount, which had $3 million, was going to be in particularly bad shape doing nationwide proposals, I had suggested to them one of two things you need: you need to partner with DOT or you need to quickly get yourself a task force to zero in on how many jurisdictions should get this and get yourself a consultant; and we understand they were indeed trying to get a consultant. To your knowledge, has any contact been made with or by the GSA?

Mr. PANIATI. Not that I am familiar with.

Ms. NORTON. I will make that inquiry, because the kind of answer you have given is precisely the kind of response we have not had from them. GSA is not here because it is not a program involving highways in any way, but it has almost $6 billion to do precisely the kind of work you are doing in highways, building construction of various kinds.

Let me ask you about a Federal project that is, indeed, a signature project, the building of the Department of Homeland Security in Washington, D.C., where we expect ground to be broken shortly, certainly this year. We have been having meetings more about transportation than about the project itself, which seems to be going well; it is the transportation that has been a problem.

We were able to deal with Shepherd's Parkway. We have got 14,000 new Federal employees going across the river for the first time in the history of our city to land owned by the Federal Government, the old St. Elizabeth's West Campus. And I thank you very much, because I believe it was the Highway Administration folks who came in to see us.

Left unresolved was a very big problem, totally Federal problem. These employees are coming to a part of the District that is adjacent, virtually, to Bolling Air Force Base, and we are concerned that about 8,000 of them are going to be using that entrance close to Bolling. We are informed that Bolling will be getting 8,000 new people on top of the people they have——

I am sorry, if I can just finish and get an answer to this question, I would appreciate it.

We know 8,000 will be using this Malcolm X area to make their entrance to St. Elizabeth's with an interchange. Could I ask you, given the good work you all have done on Shepherd's Parkway, to facilitate this Federal project, whether or not, and I should let you know that the District, of course, is not going to take care of this Federal project within any highway funds it has, whether there has been discussion within the Federal Highway Administration of how this matter can be resolved, this major transportation matter for making sure these 8,000 people get in to this new development?

Mr. PANIATI. I know that staff from our Federal Lands Office have been actively involved in the St. Elizabeth's project. I don't know the specifics of where they are right now on the issue that you referred to, so I will have to get back to you for the record on that.

Ms. NORTON. I wish you would get back or have them get back to us within 10 days about what—we are just trying to get ahead of what could be a major problem if we don't begin to work on it now.

[The referenced information follows:]

[INSERT FOR THE RECORD, P. 105, AFTER LINE 2442]:

[QUESTION FROM Rep. Norton (Page103-105): Regarding status of St. Elizabeth's interchange for building of the Department of Homeland Security in Washington, D.C.]

In the final EIS for the St. Elizabeth's West Campus master plan, the GSA, in coordination with DHS, FHWA, and DDOT, identified improvements to the Malcolm X Avenue/I-295 interchange immediately adjacent to Bolling AFB. These improvements were designed to help accommodate the increase in traffic as a result of the DHS West Campus headquarters consolidation. FHWA is expected to complete its NEPA decision for the transportation components of the West Campus improvements this summer. GSA is also beginning its NEPA document for improvements to the East Campus, in which the traffic improvements at the Malcolm X Avenue/I-295 interchange will be further evaluated. DDOT is preparing its own EIS for DC's development on the East Campus, but coordinating with GSA with regard to GSA's development of additional parking on the East Campus. FHWA will continue to work with GSA, DHS, DDOT, and the NPS to further analyze traffic impacts to areas around the St. Elizabeth's site.

Additionally, FHWA is coordinating with the NPS, GSA and DDOT on the review and taking of 4(f) property to create an access road from the Malcolm X/I-295 Interchange to the West Campus of St. Elizabeth's to accommodate the DHS Headquarters access and security needs. FHWA will continue to work with your office, the GSA, DHS, the National Park Service, DDOT and other transportation stakeholders to ensure that the appropriate funding sources for this project are identified and that the project is completed in a timely manner.

Mr. PANIATI. Okay.

Ms. NORTON. Thank you very much, and particularly thank you for what you have done with these pre-apprentice and apprenticeship programs.

Ms. EDWARDS. [Presiding] Thank you, Ms. Norton, and thank you to the panel. You have spent a lot of time with us this morning and you are dismissed, and we will call the second panel.

To begin this second panel, we are joined by the Honorable Larry L. “Butch” Brown, Executive Director and Chief Administrative Officer of the Mississippi Department of Transportation, representing the American Association of State Highway and Transportation Officials, AASHTO; Mr. Joseph M. Casey, who is the General Manager of the Southeastern Pennsylvania Transportation Authority, representing the American Public Transportation Association; Mr. Brad Penrod, Director and CEO of the Allegheny County Airport Authority, representing the Airports Council International North America; and Mr. John Keating, President and Chief Operating Office of Oldcastle Materials Group East, representing the American Road & Transportation Builders Association.

We will begin with Mr. Brown.

TESTIMONY OF THE HONORABLE LARRY L. “BUTCH” BROWN, EXECUTIVE DIRECTOR AND CHIEF ADMINISTRATIVE OFFICER, MISSISSIPPI DEPARTMENT OF TRANSPORTATION, REPRESENTING THE AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS; JOSEPH M. CASEY, GENERAL MANAGER, SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY, REPRESENTING THE AMERICAN PUBLIC TRANSPORTATION ASSOCIATION; BRAD PENROD, DIRECTOR AND CEO, ALLEGHENY COUNTY AIRPORT AUTHORITY, REPRESENTING THE AIRPORTS COUNCIL INTERNATIONAL NORTH AMERICA; AND JOHN KEATING, PRESIDENT AND CHIEF OPERATING OFFICER, OLDCASTLE MATERIALS GROUP EAST, REPRESENTING THE AMERICAN ROAD & TRANSPORTATION BUILDERS ASSOCIATION

Mr. BROWN. Thank you, Madam Chairman. As a special note, before I begin, we have included a few figures which were incorrectly added and now have been fixed, and we will ask that we be permitted to submit that revised testimony for the record. A couple of just technical changes.

Ms. EDWARDS. Without objection.

Mr. BROWN. Thank you, ma’am.

Madam Chairman and Members of the Committee, my name is Larry L. “Butch” Brown. I am the Executive Director of the Mississippi Department of Transportation, currently serving as the Vice President of the American Association of State Highway Transportation Officials, and will be the incoming President of that association this fall.

On behalf of the State Departments of Transportation, I want to thank you for your efforts in securing transportation funding as a part of the economic recovery legislation. Today, I want to emphasize three major points: all of the States have now obligated 50 percent or more of the non-sub-allocated funds, well before the June 30 deadline; projects are under construction and people are going back to work in good paying jobs; States are directing funds for ready-to-go projects that will spread economic recovery and job creation to all corners of the United States, with special consideration being given to the economic needs and geographic balance.

The Economic Recovery Act provided $48 billion for transportation investment, out of a total of $787 billion. Of that, $27.5 billion were for highways, with 30 percent of that going to the sub-allocants in the cities and the counties. Mississippi received in excess of 354 million in stimulus dollars for transportation projects, and I am extremely proud to report that we met and exceeded the 50 percent goal well ahead of that deadline.

States have delivered on that deadline. Currently, about 60 percent of the Recovery Act dollars have been obligated, for a total of approximately 4900 projects valued at nearly $15.5 billion. All the States, the District of Columbia, and Puerto Rico now have projects underway. Federal Highway Administration estimates there are 1500 or so projects under construction valued at approximately $6 billion.

Many States are moving even faster than the law requires. Mississippi, for example, has obligated nearly 80 percent of its apportioned funds for highways and bridges. We have only approximately $50 million remaining to be contracted. Our Transportation Commission crafted a plan that provided equitable distribution of projects throughout the State of Mississippi to ensure the greatest possible impact in terms of jobs creation and economic development. Mississippi plans on letting approximately 165 contracts using the ARRA funding. As of late May, some 524 new jobs have been created. That many or more have been retained, and many more new jobs are expected to come. And this effort is being repeated all across our Country.

States are working hard to ensure that economically distressed areas benefit. In Arkansas, the program will deliver 84 percent of the jobs to distressed areas. Forty-eight of the State's 51 projects are now in distressed areas. In Arizona, for example, 60 percent of the projects and 40 percent of the highway economic recovery funds will be directed directly to economically distressed areas of their State.

The States are flexing highway economic recovery funds for transit, inner city passenger, freight rail, and port projects. 9.9 million is being used for maintenance dredging of the Mississippi River's southwest pass to provide safe, efficient river channel for navigation for that industry. The Iowa Department of Transportation will provide $5 million for four freight rail projects. A $15.4 million project in the Port of Tacoma, Washington will eliminate all four at-grade rail crossings that cause truck and other vehicle traffic delays up to 45 minutes several times a day.

Finally, congratulations to you and your Committee on moving out with the six-year bill. We support your efforts and are ready to help you deliver on that six-year bill.

We also urge timely action on critical threats to our highway and our transit program, Madam Chairman, an inevitable cash flow shortfall of the Highway Trust Fund this summer, an imposition of SAFETEA-LU $8.7 billion recision. We urge you to take action on those critical issues and we urge you to take them in a timely and in a short-term manner.

Thank you for the opportunity to allow us from Mississippi and from AASHTO, the American Association of State Highway Transportation Officials, to appear before you here today. I would be happy to answer questions when the time allows.

Ms. EDWARDS. Thank you, Mr. Brown.

Mr. Casey?

Mr. CASEY. Good afternoon, Representative Edwards and Members of the Committee. My name is Joseph Casey. I am representing SEPTA. We provide public transportation in Philadelphia and the surrounding southeastern Pennsylvania area. But I am also representing APTA, the American Public Transit Authority, with 1500 members, including public transit agencies and private businesses.

Public transportation can be a critical component to reduce this Nation's dependency on foreign oil, improving the environment, and achieving sustainability and improving the economy. With the increase in the price of gasoline over the last couple years, America has rediscovered public transportation. APTA reported last year 10.3 billion trips taken on public transportation, the highest in the last 50 years. SEPTA has seen a similar increase. Over the last three years, our ridership has increased 12 percent. And even though prices, again, dropped last year, our ridership remains strong and we are seeing another 3 percent increase over where we were last year.

The American Recovery and Reinvestment Act is critical to mass transit. Prior to enactment, APTA did a survey, and of 200 providers they identified 800 projects, totaling $16 billion, that were shovel ready. As you know, the American Recovery and Reinvestment Act allocated $8.4 billion to transit. Fifty-eight percent of these funds have been obligated or are currently awaiting FTA approval.

SEPTA's share of the ARRA funds totals $191 million. We identified 25 projects, and because we were out early with the bids, construction bids came in 17 percent less than our engineering's estimate, and we were able to add an additional 7 projects. Of the 32 projects through May, 22 of the projects have been awarded, accounting for 75 percent of the funds.

Some of the major projects that are we doing: exercising an option for 40 additional hybrid buses from New Flyer Industries to deal with the growing ridership; replacement of 90-year-old track at the terminus yard on the Broad Street line and on the Media-Sharon Hill trolley lines; rehabilitation of five bridges, the oldest of which was built in 1905; and the rehabilitation of three major stations, two on the Broad Street line, Girard and Spring Garden, that were constructed in the mid-1920s, and one new station on Croydon on our regional rail line, on the Trenton line, which will be a brand new station replacing a small shelter.

On behalf of SEPTA, I want to convey my deep appreciation of the efforts of this Committee in addressing transit's capital needs and for allowing the use of 10 percent of the ARRA funds for operating purposes. As you know, the economy has deeply impacted operating budgets of public transportation systems, and the alternatives all over the Country are increasing fares and reducing services. The 10 percent allows the services to remain and also saves transit jobs.

The stimulus package was a welcome relief, but only a down payment to rebuilding the transit systems. A recent report by FTA identified the needs of the seven largest rail systems, which carries 80 percent of the rail riders. The report concluded that $50 billion is needed to bring these systems to a state of good repair.

For SEPTA, $4 billion is needed to bring our system to a state of good repair. Among the major capital projects, we have 400 bridges, 200 of which are over 50 years old and half of them, 100 bridges, over 100 years old. On the rail system, we have 150 stations, half of which require significant repair or replacement. Our power substations, we have 19 of them. The useful life is generally 30 years. We have 16 of the 19 over 75 years old.

And our rail cars, current average rail car fleet is 40 years, and we currently have an order to replace one-third of the fleet. But even after they are delivered, the remaining two-thirds will be 35 years old.

Philadelphia is rich in history and is proud of its numerous historical sites. However, we are not especially proud of the historical transit assets. We thank you for the opportunity to speak and, on behalf of APTA, thank you for your leadership and your recently announced authorization proposal.

Ms. EDWARDS. Thank you, Mr. Casey.

Mr. Penrod?

Mr. PENROD. Thank you, Madam Chair. My name is Brad Penrod, the Executive Director at the Pittsburgh International Airport, which handles 8.7 million passengers per year, and the Allegheny County Airport, our general aviation facility. I am here today representing the Airports Council International North America. I would like to thank the Committee for the priority you have placed on aviation this year, including the passage of the multiyear FAA reauthorization, which included an increase in the passenger facility charge to $7.

The Committee's decision to distribute $1.1 billion in stimulus funding using the FAA's AIP process has proven to be very successful. It explains why the FAA was able to report, on June 5th, that all $5 million of the $1.5 billion has been authorized. As Vice President Biden noted in March, this money will create new jobs now, but it is also an investment in the long-term safety of airports and their economic viability.

At the Allegheny County Airport, the $2 million in stimulus monies will be used to renovate parts of four taxiways and reconfigure aircraft aprons that will allow us to build new aircraft maintenance facilities and the associated ramp space. Construction is scheduled to begin the week of July 20th and, when completed, we will be able to make space available for the construction of much needed aircraft maintenance hangar facilities. So we are not only creating 40 new construction jobs now; we are also setting the stage for future jobs in the aircraft maintenance and operations field.

The $10 million stimulus project at the Pittsburgh International Airport will rehabilitate Runway 14-32, one of our four runways used by military and commercial flights. This funding will be utilized to rehabilitate airfield pavement, make grading improvements, update pavement markings, airfield signage, and lighting systems. Notice to proceed is expected in September and will create 207 jobs.

One point this Committee made clear was that Recovery Act funding was to be for projects that were shovel ready. I am very pleased to be able to report that many airports across the Country have their shovels in the ground.

At the Sarasota Bradenton International Airport, they have completed all but some electrical work on the $2.3 million overlay of Runway 4-22, creating 42 direct jobs.

At San Francisco International Airport, they have completed a majority of the repaving construction last month of a $5.5 million rehabilitation of Runway 28R-10L, the airport's largest, thus creating 90 jobs in the Bay Area.

At Tampa International, work on their Taxiway B Rehabilitation Bridge and Service Road will be putting an estimate 600 people to work.

The Detroit Metropolitan Airport has begun their $15 million project to support the construction of Runway 9L/27R, which will create an estimated 225 new local jobs. Work began last month at Chicago O'Hare on a $12.3 million project, Runway 10/28 and Taxiway M widening adjacent to the runway, creating 50 direct jobs.

There are also a number of projects scheduled to come online over the course of the next four weeks.

The Kansas City International Airport in Missouri will start work on a $4 million runway rehabilitation project, creating 50 direct jobs.

At Oakland Airport, $9.7 million work on East April Phase III project will incorporate ramps, taxiways, and overnight parking spaces for aircraft.

San Jose International Airport's $5.2 million project is part of a larger effort to rehabilitate Taxiway W, which the FAA's Regional Safety Analysis Team recommended be addressed due to potentially unsafe general aviation aircraft movements. This funding has moved the project forward by four years, creating 83 new jobs.

The Fresno Yosemite International Airport will create 28 new jobs next month, when work begins on a $2.2 million project to reconstruct connecting taxiways.

The Recovery Act also exempted private activity bonds from the alternative minimum tax. Airports rely on bonds to finance 53 percent of their capital needs for safety, security, and infrastructure projects. Last August, the bond market dried up, and this change has allowed airports to find bond buyers again. The Metropolitan National Airport and Miami-Dade Airports have sold bonds for new terminal projects. The Metropolitan Washington Airport Authority has sold bonds to assist in their capital construction program.

In terms of airport infrastructure, there is no doubt that the AMT provision has had a stimulating impact on short-and long-term projects.

In closing, the $1.2 billion appropriated for airports in the American Recovery and Reinvestment Act and the AMT relief is creating much needed jobs today across the Country, while investing in the infrastructure necessary to address the future of a safe and efficient aviation system, and I thank you.

Ms. EDWARDS. Thank you, Mr. Penrod.

Mr. Keating.

Mr. KEATING. Thank you. Representative Edwards and Committee, my name is John Keating, and I am President and Chief Operating Officer for Oldcastle Materials East. Today, I am testifying on behalf of Oldcastle and the American Road & Transportation Builders Association.

First, I would like to express our appreciation for this Committee's leadership in ensuring the American Recovery and Reinvestment Act included a major transportation infrastructure component. Thank you.

My Chief Executive Officer, Doug Black, and ARTBA's Vice President of Economics, Bill Buechner, told this Committee last October that increased transportation infrastructure investment from an economic stimulus package would be put to work quickly and produce meaningful economic benefits. Today, it is my pleasure to report on how these commitments are being fulfilled.

States have obligated $14.7 billion of the Recovery Act's highway funds as of June 16th. This amount is about $5.5 billion more than is required to be obligated by the June 30th deadline. We expect outlays to continue to increase as we move into the summer and fall construction seasons.

Furthermore, the value of new contract awards for highway and bridge projects outpaced 2008 levels for the first time this year in the month of May. That is exactly what we hoped and wanted to see, the State and local transportation agencies began awarding Recovery Act projects.

Let me share with you a few examples of how the Recovery Act is stimulating our economy.

One of Oldcastle's companies, Pike Industries in Northern New England, has been awarded $105 million worth of projects in the three States it operates. Much of this work is underway or will begin soon. In New Hampshire, after several early jobs had begun, Pike decided to hold a job fair in Concord, advertising up to 50 jobs. Over 400 people showed up. Pike filled these positions and is expecting its stimulus work to save or create as many as 250 jobs.

Another great story within the Pike example involves a project taking place right now in the State of Maine. Last year, we were fortunate enough to rebuild a large section of I-295. This year, the Maine DOT entered its fiscal season with the understanding that it would not have the funds to support the sister project in the northbound I-295 barrel. As a result of the Recovery Act, this project has been able to move forward.

As a result, with great coordination between the DOT and the contracting community, this project has been advertised, bid, awarded, and will be completed by mid-August. It is a pretty significant job, involves 23 miles of roadway that are completely rebuilt and repaved. All this construction will take place in 120 days. The other nice thing about this project is, at its peak, it will support 350 jobs in the State of Maine.

ARTBA members in virtually every State are reporting similar experiences. We will see even greater benefits in the remainder of the year and in 2010, when most of the stimulus funds hit the market.

That said, in assessing the Recovery Act's success, we must acknowledge a hard reality. The Federal programs are only one part of the overall transportation market. Virtually all States, counties, and municipalities are facing budget challenges, and many were required to delay their own transportation investments before the Recovery Act was ever signed into law. As such, the Recovery Act's transportation investments are largely serving to protect existing jobs.

While keeping transportation programs afloat may not generate headlines, I can tell you from personal experience a saved job means a great deal to the people in the real world.

The transportation stimulus investments are the first step in a critical two-part process. To build on the Recovery Act's gains, Congress must enact a robust, multi-year reauthorization of the Federal surface transportation program. The best way to undercut the progress being made by the Recovery Act is to put the reauthorization debate on hold for 18 months. My written testimony describes how uncertainty stemming from the reauthorization delays in 2003 and 2004 contributed to a stagnated U.S. transportation construction market.

While the Recovery Act provides a much needed short-term infusion of resources, a long-term bill will inject stability in the overall marketplace by establishing investment levels and a sustainable financing approach. When companies like Oldcastle have this type of long-term indicator of future investments, it enables us to make the capital investment decisions that have an even greater economic multiplier effect throughout many sectors of our economy. To that end, we commend Chairman Oberstar, Representative Mica, and the entire T&I Committee for moving forward with a multiyear surface transportation bill.

Thank you for allowing me to testify today and tell Oldcastle's and ARTBA's story, and I look forward to any questions. Thank you.

Ms. EDWARDS. Thank you, Mr. Keating and thank you to each of you both for your testimony and also for your patience this morning.

I just have a couple of questions. Mr. Brown, you said in your testimony that Mississippi had obligated 80 percent of its apportioned funds for highways and bridges, and plans on letting 165 contracts using Recovery Act funds. How soon after funds are obligated do you expect that contracts will be let, and how soon after the contracts are let can we expect work to get underway, that is, people to get on a job?

Mr. BROWN. Madam Chairman, maybe I didn't make myself clear. I apologize if I didn't. Those numbers, percentages I gave to you are going to contract. Those are actual contracted jobs. All of our contracts will be finished and on the street and ready for going to work, literally shovel ready and now shovel activity beginning within 30 days of the day we let the contract. That would be the time that we would give a notice to proceed. So, certainly by the end of August of this year we will be fully contracted and fully at work on all of our stimulus funds.

Ms. EDWARDS. And is part of the reason for that, like in my State of Maryland, that you had a number of these projects sitting there, engineering done, environmental work done, all of it just waiting for the resources to be able to put people to work, so it wasn't complicated for you to be able to let those contracts and then get the work started right away?

Mr. BROWN. No, ma'am, not at all. You are right on target. We first identified, oh, I guess, probably—I will try to resurrect the number, but probably somewhere in the range of $800 million worth of work, and then anticipating a much larger stimulus package, quite frankly, for transportation; and when the numbers didn't come in as high, of course, we pared down to the number that we have now, $354 million, including MPOs and the sub-allocates. We pared that number down, utilizing or giving emphasis to the ones that we felt were needed the most.

Ms. EDWARDS. And I will just reflect that there are a number of us on this Committee and, of course, first and foremost our Chairman, who share the view that had we been able to put far more money into our infrastructure investment in the stimulus, it is not that we would have been waiting to find work; the work is out there to be done if the Federal resources are available to do it.

Mr. BROWN. Madam Chairman, if you would indulge me, I would just add that we were prepared—when I say we, we in Mississippi, but also we as an industry across the United States, and representing AASHTO and my other colleagues throughout America. I would tell you that we were prepared to do $800 million worth of projects in the first 90-day and then, of course, the subsequent 120-day. I agree with you 100 percent certainly there were many more projects that could have been put on the street but within the same amount of time.

Ms. EDWARDS. Speaking on behalf of AASHTO and away from Mississippi a little bit, because you are a southern State, can you speak to the many projects that will come online from the States that are your represented members that may be northern States, where the weather didn't necessarily permit until now that people be put to work through these highway contracts?

Mr. BROWN. Well, I think I will answer your question in a different way. One of my good friends and colleagues, and the current President of AASHTO, Al Biehler, from the State of Pennsylvania, for example, was very concerned that he would not be able to get the bulk of his projects ready because of just what you said, the weather and the working condition restraints that he has that we don't particularly have in the south.

But I think he has surprised himself by redoubling his efforts, as have the other folks throughout AASHTO in the northern regions and in the other climates where you have climate changes and problems. I think we have all been surprised at the efficiency of our staff, at the hard work that has been put in to put in these jobs on the street and putting people back to work.

I think the two major things that have been embraced by all of us in highway transportation across the Country, and that is the term shovel ready, making sure that indeed everything was shovel ready and ready to go, and that is not an easy task, but we have proven that we are up to it; and the other thing is the commitment to create and to retain jobs. And I think every State, regardless of the climate from which they operate, have redoubled their efforts to do just that, have the projects ready to go, truly ready to go, and then generate the new jobs along with the job retention that comes with the regular program.

Ms. EDWARDS. Thank you, Mr. Brown.

Let me turn to you, Mr. Casey. I am so familiar with SEPTA, having spent a little bit of time as a youngster visiting my grandmother and using the SEPTA system, and I can attest to the work that is needed on the SEPTA system as well. But I wanted to ask you, just in terms of the current authorization for highway and transit programs that expires on September 30th, can you tell me how the lack of a long-term authorization for these programs affects SEPTA's ability to plan for capital improvement projects?

Mr. CASEY. Yes. Some of our critical needs are multi-year. I can specifically say we are completing a project now that, between engineering and construction, went over eight eights. So without a long-term project, we probably could not have committed those funds to get that project complete. And we have a number of projects that are on the drawing boards. City Hall Station is a major station right under City Hall that is a very complicated system project, will take multiple years from a design and also construction effort, so it is critical that we have a multi-year funding source that we know that those monies are coming in so we can commit dollars for those projects.

Ms. EDWARDS. Thank you. An FTA administrator, in his testimony, Administrator Rogoff, mentioned that several SEPTA projects are being assisted by Recovery Act funds, including—correct me if I get the pronunciation incorrect, but the Tulpehocken Station project that appears to have a business development component to it. Can you tell us a little bit more about that project and how it benefits SEPTA?

Mr. CASEY. I submitted copies of some of the projects, pictures of some of the projects with my testimony. You can see Tulpehocken Station. I don't think any person would even go near that station or in this station in its current condition. But it is critical that we have facilities that our passengers want to use and would encourage them to use the system and they can feel safe on the system. Tulpehocken Station also has the ability for transfer for bus routes, so they can take the bus to Tulpehocken Station, then take the train into downtown Philadelphia. And a number of stations, I mentioned Croyden Station earlier in my testimony. That would also have that ability to multi-transit purposes.

Ms. EDWARDS. And there is economic development activity that goes around those transit stations?

Mr. CASEY. Yes. Where possible, we are looking at economic development. As everyone knows in the public transportation world, if you have public transportation, it increases the value of the real estate around those stations.

Ms. EDWARDS. Thank you. I will note also in your testimony, Mr. Casey, you also spoke about the importance of being able to pare off some operating funds so that you wouldn't have to make other kinds of cuts in the system. Can you speak to that?

Mr. CASEY. Yes. SEPTA is not in the situation that some of the other transit agencies are; we have multi sources of funds, so it is not in one egg basket, if you will. Some of the other agencies are relying heavily either on the sales tax or the realty transfer tax that have really taken a hit in the last year, and because it is a solo funding source, they are really being impacted. You can read almost on a daily basis across the Nation all the major transit agencies are having some type of budget deficiencies.

Ms. EDWARDS. Thank you.

Mr. Penrod, I appreciate in your testimony when you describe particular projects, you also describe the direct and indirect jobs, actual jobs that are being created using the Recovery Act funds. I think it is important for us to kind of keep our eye on that, especially in some of our States that are facing really tremendous unemployment.

Also in your testimony you cite the Detroit Airport project that was accelerated from two years to one year; and the San Jose Airport project that was moved forward by a full year; and the Fresno Yosemite Airport projects, which were completed in half a year instead of in two years and another move forward by yet another two years. I imagine that this acceleration of construction has had a beneficial effect in terms of keeping project costs down, so I wonder if you could comment on that and also on what airports are doing to replenish the pipeline of planned projects.

Mr. PENROD. Thank you, Madam Chair. The acceleration or making a two-year project a one-year project certainly saves significant amounts of money and mobilization and winter shutdowns in certain northern tier locations where you have to shut down in the winter time. So any time you can shorten a construction period on an airfield, you significantly decrease costs because of the reduced mobilization.

But you also significantly increase safety levels just because, if you have multiple construction projects, any time you have construction projects in vehicles and aircraft, there is a significant safety component that goes into that planned development. So anything you can reduce the safety exposure to in shortened project times, everyone wins in that respect.

I think from projects on the shelf, you will, like any other infrastructure operator, which airports are, certainly, people expect airports to be the most safe piece of infrastructure that they use. So the fact that, at least in our case in Pittsburgh, and I would expect my colleagues across the Country, we have multiple projects on the shelf on a regular basis.

Going into the discussions of a stimulus package just in Pittsburgh, we had $200 million worth of projects to talk about, and we are very pleased with the two projects we got, because those were actually our number one and two projects. But the shortage of PFC-funded levels in Pittsburgh has caused us to defer over 20 projects over the next couple years, so we have an abundance of projects on the shelf ready to go, and I would expect my colleagues across the Country are in the same position, so we welcome future opportunities.

Ms. EDWARDS. Thank you. Just as we close out with questions for you, Mr. Penrod, you pointed out the airport improvement program is currently operating also under a short-term extension through September 30th, 2009, and I would appreciate it if you would comment on how the lack of a long-term authorization for this program affects your and other airports' ability to plan for airport development projects. I would imagine for airports this is a pretty critical question.

Mr. PENROD. It is very critical. A runway could have a three-to five-year construction time line, so certainly a funding stream that expires at the end of September is a significant concern if you are trying to contemplate what to do in the fall in a couple years. So certainly a longer term program allows us to better plan whether it is economies or phased approaches, but also the interference with air traffic and, again, go back to the improvement of safety, however you can plan that.

There are multiple pieces of working on an airfield, whether it is air traffic issues or aircraft movement issues or construction vehicles or just the routine maintenance that we all do. So if we know a capital program is going to address a maintenance issue, we can upgrade our operating more efficiently as well. So certainly the long-term program will be a significant benefit to the industry.

Ms. EDWARDS. Thank you, Mr. Penrod.

Mr. Keating, it is my understanding that a national survey that was done several years ago found that transportation construction contractors hire employees within three weeks of obtaining a project contract, and that these employees begin receiving paychecks within two weeks of hiring. Can you comment on this based on your own more recent experience with Oldcastle Materials?

Mr. KEATING. Yes. Essentially, when the work is put out to advertise, depending on the workload, we may bring estimators in and professionals onboard well before we even secure the work. Then there is no question, once we receive a contract or a bid award, we need to be ramping up to supply the workforce for those projects. So it is actually much quicker. And, obviously, once they are on our payroll, they are receiving paychecks on a weekly basis.

Ms. EDWARDS. And then from one contract to the next, if you are in an environment where there is longer term planning, would you just lay those workers off, or do you keep them on and then move them to another project, or do you hire new workers? How does that work?

Mr. KEATING. It is very critical to have a long-term plan out there and knowing what the funding levels are. Our company is involved in both heavy highway construction type work, as well as maintenance work. Typically, maintenance work you are building a staff that will service multiple jobs over the course of a year, and that is really dictated by the amount of work that is put out by the individual agency, so we would move from one project to another on a regular basis with a steady workforce.

Ms. EDWARDS. Thank you. Then, Mr. Keating, you also make a point when you say that outlays are a lagging indicator of highway construction. So the Federal highway program actually operates on a reimbursable basis, it doesn't outlay funds until the work has already been performed, and a State seeks reimbursement, then, for the work after it is laid out.

I am interested in more leading indicators that your association tracks, such as the value of new contracts awarded and employment in stone mining and quarrying. You spoke to some of that, I think, in your testimony and you state that job growth in stone mining and quarrying was stronger than normal in April. Can we expect from this finding that highway construction employment will see significant growth, then, beginning in June and July, since it is a lagging indicator?

Mr. KEATING. I think we are already seeing that. As these projects have come out, we have got people to work now. I mean, you are exactly right, it is a reimbursement program. We will go to work today and work on multiple phases working for a State DOT. They will approve our work and pay us after the work is complete, and then they will get reimbursement from the Federal Government.

From what you see from the feds down to the State, as far as their outlay of funds would lag significantly to where the work is actually being done. We are bringing people onboard now, as I said in several different cases in our testimony, and bringing back existing workforce as well as new hires in some parts of the Country, so there is no question the leading indicator is now.

Ms. EDWARDS. Excellent. Then, I wonder if you could speak to a question that was raised earlier by myself and Ms. Richardson, and that is to the States' and contractors' ability to meet DBE goals. This is a particular concern especially in places where there are significant pockets of unemployment or underemployment. And I wonder if you could also speak to whether you believe there are any barriers to reaching out to small minority women-owned business perhaps even as subcontractors on some of these projects.

Any of you.

Mr. BROWN. Madam Chairman, I would like to take the opportunity to reply to that. It is interesting, I had made some notes as you were speaking earlier. Obviously, we are using the same DBE goals that we use in our regular program of work in our expanded role using stimulus funds.

But one of the things that we have done is we have discovered that stimulus sparked a great deal of interest on the part of DBEs. Traditionally—and I think this is somewhat universal across the Country—you will have a large DBE pool, but a very small portion of those DBEs are active in the day-to-day bidding and participation into the DBE process.

So what we have embarked on in Mississippi is to expand the pool, obviously, but, moreover, to expand those active participants within the pool of DBEs that we have. Stimulus discussions brought a great deal more interest, and that has helped us, because what we did with that renewed interest from the existing DBE pool, we did a tremendous outreach effort where we brought in all of our DBE participants and we brought in our contractors at the same time that were being required to have the DBE participation. We have had seminars, we have had training, we have had staffing assistance programs put into play, as well as the contractors speaking directly to the DBEs, rather than us as the owner of the project, so to speak. The contractor steps straight forward, and you would be surprised how expanded it has gotten.

The other interesting component that we added into our DBE program as a result of the stimulus program was the fact that we now, in the smaller cities and the small urban areas where the cities themselves don't have the staff or the wherewithal to keep up with the reporting and with the documentation dealing with stimulus funds, or regular funds, as far as that goes, we have added consultants, DBE consultants to assist them in their reporting and record-keeping requirements, and we assist that consultant and the city as well.

We are very proud of what we have been able to do in Mississippi. I am sure we are not alone in doing this, because this is discussed every time we get together in an AASHTO situation.

Before I leave, I would like to make an additional comment, if I could, Madam Chairman. On your questions, you were very interested in the 18-month short-term provisions for funding, as opposed to a full authorization. Let me just offer this for whatever it is worth.

I personally, speaking for Mississippi, favor a full authorization, obviously. I think if indeed Congress does do an 18-month what I would call a continuing resolution, what others may call it, I don't know, but the 18-month provision versus a full 6-year authorization, I think for the same reasons advocated by Chairman Oberstar and Congressman DeFazio earlier in his comments, because of planning, because of advertising, because of construction time issues, obviously, we need more time.

If indeed we don't get the full authorization, Madam Chairman, I would hope that this Committee would take a strong, strong stance in position that when authorization does come, a 6-year authorization comes, that it will be from and after passage for six years, not what we are having to deal with in the past, where we are spending three years to get a 6-year reauthorization.

The same problems exist that this panel and the previous panel espoused this morning, of not having enough time for adequate planning. Doing all the things that are necessary to build a program in a three-year authorization, that is very constraining in itself. So from and after passage on a 6-year bill would be something that I think our industry would really appreciate.

Ms. EDWARDS. Mr. Brown, you have been heard loudly and clearly, and thank you for that.

Listen, we have been called for a vote, so I thank you for your testimony and for your time. I would just close by saying if any of you have any recommendations particularly around DBE participation and ways to encourage that, I know that this Congresswoman would be really grateful for your insight there and for any lessons learned out of this stimulus funding; and keep letting contracts and hiring workers.

I understand, in fact, if you would hold tight until after this vote, we are going to pull this panel into recess, and I believe Chairman Oberstar will be coming back. So we will stand in recess until 10 minutes following the vote.

[Recess.]

Mr. OBERSTAR. [Presiding] The Committee will resume its hearing.

The Chair apologizes to Members—Members who are all gone, actually—and to our witnesses for the long absence due to recorded votes on the House floor passing a defense authorization bill which is substantially greater for one year than we are proposing for six years for the surface transportation program.

I took the testimony home with me last night and, even though we didn't finish up until 11:00, I speed read the witness testimony statements and am very impressed with your presentations. A question I have, Mr. Brown, there have been some questions or criticisms—I think not well informed criticisms—that there have been obstacles to moving ahead with projects, and I would just like to know if you have any specific paperwork or other obstacles you have encountered in pursuing the funding and carrying out the program of the Recovery Act.

Mr. BROWN. Mr. Chairman, I am somewhat surprised by the question because, honestly, speaking first for Mississippi, I will tell you that we have had none. We, of course, have heard some of the ruminations about the reporting problems and demands that you referred to earlier in the day, but we have not had those either.

I think one of the good things that came from Hurricane Katrina, if anything good can come from a natural disaster like that, was that it did prepare the State of Mississippi and our staff for reporting. As you might imagine, sir, when Katrina hit, the money came with no strings attached, with no reporting data or requirements or anything else; and I am sure that is somewhat of an exaggeration, but I think you see my point. As we move further into recovery, we got more and more requests for data, more and more requests for reporting and transparency.

And I think one of the things that, if anything, that I was able to do for my colleagues at AASHTO was to tell them that story way back last year, that there would be reporting requirements that we hadn't heard of yet. And I think, for the most part, our industry and the people that I know, my colleagues at AASHTO, while they talk about the reporting issues and auditing issues and the GAO and the Inspector General's Office coming by and stuff like that, I don't think it has been a problem. I think it is expected and anticipated when you do get these extra funds, whether they come from emergency and/or stimulus projects.

To answer your question, no, sir, we have not had any, and I don't have any real knowledge of others.

Mr. OBERSTAR. That is very encouraging to hear. I said earlier in the hearing that, at the very outset of this process of structuring a stimulus bill, when we proposed it in this Committee room in December of 2007 and then in January of 2008, and then in August we held a hearing and in September we had another hearing and said we would insist on reporting, openness, transparency.

These are 100 percent Federal funds and the public should know what is happening with the dollars, how the projects are being implemented, where they are going, and the jobs created. That is not awfully burdensome, it seems to me. Those are pieces of information you gather and collect and report internally, at least, and have to report to—except for the jobs; they don't have to report jobs to the Federal Highway Administration.

Mr. BROWN. Well, Mr. Chairman, I think it is important to note that in the stimulus funding itself it provides for funds to do that reporting, to do that data collection and to make those submissions. There is no excuse for not having transparency in utilizing these funds.

Mr. OBERSTAR. That is correct. I am glad you noted that, because I was about to point that out. Something I said, in exchange for funds reporting, we should allocate funding for States to cover any additional administrative costs associated with reporting.

Mr. Casey, would you like to comment on the same subject?

Mr. CASEY. I would just echo Mr. Brown's response in that regard. We haven't really had any problems and, for the record, I would like to commend FTA Region 3 for promptly approving our projects. If you look at my testimony, 70 percent of the dollars have already been awarded through May, and we anticipating awarding 100 percent through the end of the calendar year. And, again, FTA Region 3 has been extremely cooperative with us to help us get these projects moving.

Mr. OBERSTAR. Mr. Penrod?

Mr. PENROD. Thank you, Mr. Chairman. Just as our colleagues have said, I think certainly from my personal experience in the aviation and airport business, we have a very robust FAA AIP program. We track very closely our local share. Our typical routine AIP programs are tracked and audited very closely, so this was just another opportunity to put, in our case, $12 million of your money to good work and was not problematic, and from other airports across the Country has not been either. So 100 percent funds means something, and 100 percent participation and support is the least we can do.

Mr. OBERSTAR. Very good. Thank you.

Mr. Keating, I have to compliment Oldcastle and your associates in sand, gravel, stone, aggregate business. From the time that the bill passed the House, your associates and you in particular were already moving ahead, seeing that this package was coming along, was going to pass, started readying your facilities to be in compliance, and I want to compliment you for that.

Mr. KEATING. Thank you.

Mr. OBERSTAR. Your view on the private sector response to the recovery and any reporting requirements that you think may be burdensome?

Mr. KEATING. We don't see it. We are getting contracts. The authorities are out there bidding work. We are getting contracts awarded. We are out there performing on these contracts and we are getting paid. So the process is working and, from our perspective, thank God we don't have to deal with the red tape that everybody else is, but moving along just fine.

Mr. OBERSTAR. Good. So it is a very positive report and I am very pleased. I anticipated that, but I am very pleased that it is happening.

Commissioner Brown, we anticipated that States would be ready to move because we designated only those projects that were designed, engineered, EIS completed, right-of-way acquired, down to final design and engineering, and our anticipation is that those would be sort of off-the-shelf, ready to go. Fifty-four percent of the funds have been actually obligated or under contract. Throughout AASHTO's network, what proportion do you think is going to go out in the next four or five months? By going out, I mean be under contract.

Mr. BROWN. Well, I think that is an interesting distinction you make because that is the one we use in Mississippi. Rather than obligated, we say to contract, because when we take them to contract, less than 30 days later we do notices to proceed; and I think that is what you and the stimulus package together wanted the States to do, and that is to get projects under contract and put people to work, and that is the kind of data that we keep.

Right now, in Mississippi, we are only about $50 million away, and we will issue those notices to proceed and contracts in July, and we will be 100 percent. Right now it is over 80 percent.

Nationally, we have some excellent history, places like Arkansas, for example, 48 out of their 51 projects are underway, and they are also in 84 percent, to use that number, in distressed areas. That is another component that we are watching carefully, is making certain that economic development numbers are kept, associated with stimulus dollars, as well as job creation.

In Arizona, for example, 60 percent and 40 percent of the highway economic recovery funds will be directed to those distressed areas as well. So we are not only watching how many projects have been let; we are also watching the results of those lettings. But I think nationally right now—and I have got staff here to kick me in the back, but I think it would be probably approximate today somewhere around 60 percent being contracted.

Mr. OBERSTAR. Overall?

Mr. BROWN. Overall, I think, yes, sir. Is that a good number? Mr. Basso is the resident expert, and he says it is a good number. If he believes it, I do too, sir.

Mr. OBERSTAR. Let the record show that Jack Basso vouched for 60 percent. He is the numbers man.

[Laughter.]

Mr. BROWN. You notice, Mr. Chairman, I blamed it on him, and thank you very much for noting that in the record.

Mr. OBERSTAR. He says he can take it to the bank, I know that over all the years.

You are kind of anticipatory. Really good. I wanted to ask whether our provisions in the legislation to have equitable distribution of the dollars throughout the States and priority consideration—not requirement, but priority consideration—for areas of highest economic distresses measured by EDA. Probably, in Mississippi, you have no trouble with that because the effects of the hurricanes have made all of Mississippi a distressed area.

Mr. BROWN. Well, Mr. Chairman, just by the name of Mississippi, you know, you got the river and we got the name, we like to say down south. But the eyes of the Country are always on Mississippi, and for that we have been very proactive, and I am very proud of the things that we have been able to do in our State not only in transportation, but in other areas of government and governmental services.

But our focus is always to do projects and to excel in project delivery in economically distressed areas. One of the greatest achievements we have in our State is what we have been able to do since the mid-1960s all the way to the beginning of this new century and the achievements that we have made. Our program of work is designed around, now, two things: capacity needs and economic development. Those are the only two criteria we use now in assessing a highway project in the State of Mississippi.

Mr. OBERSTAR. In the construction business, it is somewhat unique, unlike an iron ore mine or a factory of one kind where the jobs are local. In the construction sector, the building trades workers travel from one site to another, following their employer, the contractor as they bid. Have you seen movement throughout Mississippi, the people from the southern part of the State working in the northern part of the State? Is that happening in other States as well?

Mr. BROWN. In Mississippi, again, using that that I am most familiar, I will tell you that when Katrina came, for example, and that infusion of capital construction personnel and equipment and companies, contractors all made that rush. Now, because of the balanced program that we are doing with our regular program letting, coupled with our stimulus funds and having it balanced statewide, we are not seeing that migration. But what we are seeing is a better employment picture in every region of our State.

And I think, from what I have heard from my colleagues, I think that probably throughout America you have seen a distribution, a balanced distribution of stimulus funds, which cuts down on the migration of the workforce; it keeps it more regionalized and localized for the use of those people as they work for those contractors.

Mr. OBERSTAR. That is very interesting. It is very important to know that. Now, as you work through these projects that are committed—and, Mr. Keating, you will see this in members responding to bids and the work of contractors—you will have worked out some proportion of the ready-to-go—not all of them, not all of the projects that you have, because I know at the outset AASHTO had a list of 11,000 or 12,000 projects for us in mid-summer 2008. That number has been refined down much more narrowly as we got to the actual number that is a funding amount in the bill. But behind that is sort of a second tier, isn't there, of projects among your colleagues across the Country, of projects in that category that are not quite shovel ready but ready to be put out to bid?

Mr. BROWN. Well, Mr. Chairman, you will remember, of course, because you were an integral part of all this, that the original list of projects shovel-ready and ready-to-go that were submitted by AASHTO were well, well, well beyond the $26 billion package that passed for transportation. I would say probably two or three times that number projects ready to go.

So not only do we have that second tier that you are referring to, those that are evolving every day, where we are getting beyond the environmental document, beyond the right-of-way acquisition, utility relocations, and all of those items that must take place before a project moves to shovel-ready, before that we still have an abundance, every State in this United States has another group of projects ready to go that weren't funded in this first round of stimulus with the other projects, as you say, in that second tier evolving every day.

Mr. OBERSTAR. Well, I raised that question because the time is coming fairly soon, in the next six, eight months, that we will be at the peak of investment and contracts will have been committed to the total sum of that $27 billion, and States will have been working their way through the recovery funds and will need a follow-on program.

Mr. BROWN. Mr. Chairman, we gave testimony earlier, while you were absent, and my colleagues and I all share the same, I think, I am not going to try to speak for them, but in your absence it was made abundantly clear, I think, by this panel—I shouldn't say that. It was made abundantly clear by my comments that if indeed there is a short-term fix, this proposed 18-month fix, then whatever comes beyond that needs to be from and after passage so that we can get a 6-year term.

It is impossible for a department of transportation and our colleagues in the industry like Oldcastle—we use their subsidiaries in our State regularly, and I will tell you it is impossible for us to plan and for us to give them data and information that prepares them for future work when we don't know about the status of our funding, the availability of the funding. And we can't operate on short terms and on promises; we need a firm, dedicated source revenue stream for an extended period of time, not like the one we just came out of, where it took three years to get us to a bill for six years.

Mr. OBERSTAR. Mr. Keating, give us your thoughts about the short-term proposition advanced by the Administration and the effect that short-term financing will have upon the industries, you and your colleagues, not just sand and gravel, but asphalt, cement, and the cement part of Ready Mix.

Mr. KEATING. One key area is just capital investment. I mean, we are always looking ahead for technological improvements, plant and equipment replacements. If there is no forecast out five, six years, there is no way to really justify an investment; you are not going to get the payback. If we are dealing with it on such a short period of time, we won't be investing in equipment with companies like John Deer and Caterpillar or Aztec Industries on new plants for asphalt plants or Ready Mix plants; process machinery industry. It all kind of goes to a screeching halt; it just gets stagnated.

In addition to that, the work is kind of paring down. We all know the economy and the state of the economy today, and we don't see an immediate recovery in the private commercial sector. You are going to see a peak of employment with road activity and then it is going to end, and then you are going to go back to the level funding——

Mr. OBERSTAR. When do you think that peak will arrive, our next spring, this time next year?

Mr. KEATING. Very well could, yes. Very well could. And then you are going to enter the next construction season, which is primarily the summer and fall months of 2010, where that work will be tapering off, we won't be seeing a private sector recovery, in our minds, and then you are going to just see all these jobs that I believe we have been protecting and that the stimulus has done a very good job of protecting and securing existing jobs, that is going to lead to layoffs next summer and fall if there isn't some sort of a fix.

And you really need to think long-term. I totally agree with Secretary Brown, five, six years is a very good horizon. We can plan, as an industry, with our capital investment plans. The States can plan very effectively with what their master road and bridge program will be that addresses both the maintenance needs of the State, as well as whatever capacity expansion needs of the individual States. When you have that all kind of drawn out, we know what to expect. We still need to be low-bidder on the projects we bid, but we know what to expect and can plan accordingly, as they can. An 18-year fix does not help us at all.

Mr. OBERSTAR. Eighteen month.

Mr. KEATING. I mean an 18-month fix.

Mr. OBERSTAR. That is music to my ears, but I wanted to hear it straight from you.

Commissioner Brown, you have seen in broad strokes the proposal for project expediting, an office of projecting expediting in the Federal Highway Administration that I crafted and is in our bill, and we have had bipartisan agreement on, with some touches yet to come. What are your thoughts? What are lessons from the stimulus, if any, that can be applied to the future transportation program?

I want Mr. Casey and Mr. Penrod to think about those as well.

Mr. BROWN. If you will indulge me, Mr. Chairman, I will go back to Katrina once again; it was my first experience in expediting projects. The Federal Highway Administration, when Katrina came, was on the scene with me, holding my hand, both with the State Administrator and Federal Highway Administrator, Rick Kapka. They were there, hand-in-hand with me, shoulder-to-shoulder within three days after that storm, and I will tell you that everything that came from that storm was in an expedited mode.

Now, whether or not there was any sort of an expedite division available at Federal Highways, it proved one thing, and that is that Federal Highway Administration can expedite. And the stimulus package comes along and we find out that we have got to have projects ready to go in 90 days, shovel ready to go to contract in 120 days with benchmarks along the way; and every one of those benchmarks and every one of those conditions have been laid out there through Federal Highway Administration, working with the Departments of Transportation, so, indeed, there is a way and a reason for an expedite division, if you will.

The other area that needs focus, in my opinion, if you will bear with me, is an office of freight and a national freight policy. We are no longer building highways for automobiles in this Country; every roadbed that we build today is built for a heavy truck. It is built for freight; it is built for an intermodal system, and we don't have that national freight policy that is desperately needed.

Mr. OBERSTAR. In our legislation, we create a council on intermodalism, an undersecretary for intermodalism, require the modal administrators to meet monthly to develop a national strategic investment policy, a national safety policy, and to oversee the development of a freight goods movement policy.

You know, I have served in the Congress, first as a staff member and then as an elected Member, beginning in January 1963. My predecessor, John Blotnik, whose portrait over there in the corner, was, in 1966, Chair not only of the Rivers and Harbors Subcommittee of then Public Works, but also the Executive and Legislative Reorganization Subcommittee of another Committee; and that is the one that handled Johnson's request to create a Department of Transportation, to combine 34 agencies of government that had something to do with transportation into a Department of Transportation.

He said we are the only industrialized nation that does not have a department of transportation. We started in January and, working with the White House, with the Senate, had a bill to the President's desk in October. He signed the bill. Alan Boyd was the first Secretary of Transportation, January of 1967.

Do you know, it hasn't worked as we intended. The bill created these modal administrations, and they haven't so much as sat around the table and had coffee with each other in 40 years. We have to change that. We have to put them to work, give them an agenda, make them meet monthly. Not their sub-alterns, but the administrators.

They have an agenda that will include, as I said, a national strategic investment plan for our surface transportation programs in coordination with and cooperation with the States; a national strategic safety plan that is laid out in the legislation; and a national freight policy, and the metropolitan mobility centers and the projects of national significance, so that there is a national view and not just a little isolated view here, an isolated view there, an isolated view somewhere else of this thing.

Each of the modes can learn from the other on safety, on goods movement. We are going to also, by the way, include in this council Amtrak, the Corps of Engineers, and the Coast Guard. They all have goods movement and safety responsibilities, and we need to engage them in this process. And your point well taken, we insist on having freight goods movement a part of this future of transportation.

Now, we also, Mr. Casey, propose to greatly simplify the process for getting transit projects approved. What we have today is New Starts, Small Starts, slow starts, and no starts. And when I first said that, it is a little humorous, but it is also sad. That is the state of affairs. Now, just as we need to expedite highway projects and bridge projects, we need to expedite consideration of transit projects and compress the 14-year period that those projects now excruciatingly go through down into three or so years. Have you looked at our proposal and seen the specifics of it? Think we can do that? I think we can.

Mr. CASEY. I think we have to do that. Again, some of those projects, especially in the Philadelphia area, we have been studying New Starts for a number of years, and they just simply can't get off the ground.

Speaking of Philadelphia, though, our biggest need right now is our infrastructure. We still have an old system and we still have to concentrate on rebuilding our assets, our transit assets; not only Philadelphia, but in all the old rail cities. The FTA report identify a need of $50 billion to bring these systems up to a state of good repair. And I really want to commend you, Mr. Chairman, for your leadership, especially with the authorization proposal that you set forth. We really think that that will go a long way in allowing transit agencies to rebuild their systems.

Mr. OBERSTAR. Well, we have used project expediting in aviation to speed up aviation projects. We included that in the 2003 aviation authorization bill and then adapted those concepts to the provision 6001 of Title 23, U.S. Code in the current SAFETEA legislation. But have you had experience with the expediting procedures in aviation?

Mr. PENROD. I think specifically on the stimulus programs, absolutely. But I think really where I think the industry sees that benefit is we know that NextGen is a great technology and that is a solution in the sky, but each one of those trips begins or ends at an airport, so, certainly, whatever we can do to expedite construction of additional pavements at airports is critical to making that technology beneficial to all involved. So it is a benefit to everyone because 10 to 12 years to build a runway is entirely too long because the demand is here today.

Mr. OBERSTAR. Well, it sure is. It is astonishing to me that Hong Kong built an airport in the ocean, 600 meters of ocean depth. They blew up a mountain, crushed it, dumped it in the ocean. They didn't have an ACLU to object or raise questions about it and they didn't have environmental impact statements to file; they just dumped it in the ocean. Twenty-four hours a day built the foundations up three meters above sea level, built two 12,500 foot runways, a terminal to handle 90 million passengers a year, and had aircraft taking off, while, at the same period of time, Seattle's 8,700 foot crosswind runway was just getting a bulldozer on the property site.

Now, that is not being competitive in the world marketplace.

Mr. Keating, do you have some counsel for us on project expediting?

Mr. KEATING. The only counsel I would give is the sooner we can get everything moving, the better, because, in essence, we are in business to pave roads and supply the materials to the roads and bridges, and I think the ultimate game here is to get work, get it engineered, put it out to bid and then execute the work.

Mr. OBERSTAR. Commissioner Brown, Mr. Casey, I would ask you and AASHTO and APTA to review our project expediting language and give us your thoughts about improvement that we might make in it. I was somewhat disappointed that, over the past five years, actually, four years of implementation of the SAFETEA legislation, that few States actually used that language that I crafted at great labor. But we are now planning something substantial for the future, transformational, and we need your suggestions.

Mr. BROWN. Mr. Chairman, we call it project delivery. You call it expediting. They are all the same. We will use your language from now on; it will help us in the future, I am sure, to be doing expediting rather than project delivery. But in doing that, what we want to emphasize is that we know that projects can be delivered in an expedited way.

If you remember back in the former Administration, there was a presidential edict that was going to be called environmental streamlining, and we were going to do environmental documents faster than ever before in history; and out of that program came not one streamlined environmental document. Somewhere along the line the environmental issues are going to have to be addressed. I am not saying detracted from, but somehow there has got to be project delivery in the environmental process.

It takes as much time to do an environmental document as it does to construct a project. I will give you an example. We have a bridge under construction across the Mississippi River that has been under construction for 10 years. It is a magnificent bridge. It is a cable stay bridge, a suspension bridge. It is magnificent. That bridge has been under construction for 10 years.

In 2005, when Hurricane Katrina came, we replaced two bridges, a total of four miles of bridge, six and eight lanes each, 85 and 95 feet above the water, all constructed over water, and we opened both of those bridges up to traffic in 15 months. There is a way to expedite, sir.

One of the reasons we didn't have the problem that we have in Greenville, Mississippi, where we are crossing the Mississippi River, is that we had a categorical exclusion on the environmental document. We were able to go to work. We were able to do design, build, and go to work in construction. In 15 months we rode cars across the Biloxi Bay Bridge and the Bay of St. Louis.

Mr. OBERSTAR. That is a great result, just like the bridge in Minneapolis. Of course, it was replacing a structure that had collapsed. There were a great many steps in the permitting process that did not have to be repeated. But there was also an element of that project that was very important that has missed public attention, and that is the contractor had a facility, had a building near the construction site, rented for the period of construction, and Minnesota DOT and Federal Highway Administration district engineer office also had offices in that building, separated a corridor apart. But they walked back and forth daily, daily reviewing plans, discussing needs and cutting the time of approvals that would be required and would be time-consuming in other projects.

Now, that is the kind of expediting that I want. You talked about hand-in-hand a moment ago. This is hand-in-hand. This is partnership.

Mr. BROWN. Yes, sir.

Mr. OBERSTAR. And the permitting process is not only environmental issues, there is a whole host of other permitting agencies that all have a role to play. Instead of each one having a sequential process, we need to turn that on its side and get everybody in the permitting room at the beginning of the project so that they are all together at the end and they can cut that time from months to weeks.

Take a look at our language and see if it does that.

Mr. BROWN. I will make certain that the AASHTO staff will look at the bill and your language, and I think we will probably, if you don't mind, we will reply and respond to you as to what we think about that language and what we would propose to change or to add to it.

Mr. OBERSTAR. Thank you. Well, you are the practitioners on the firing line.

Mr. Casey, do you have similar thoughts about the transit?

Mr. CASEY. Yes. Again, I just talked to an APTA representative and, so far, their review of it is very favorable, especially from the new simplification. But like AASHTO, we will ask APTA to formally respond and offer any recommendations, if required.

Mr. OBERSTAR. Well, I want to thank you for your patience waiting through all these votes. These are issues that are very important to me, to all of us on the Committee. In closing, I invite your review of our bill reported from Subcommittee. It is a rather copious document, but I put this together on a couple of pages in a very simplified version. Let me see if I have a copy of that with me. Maybe I don't have it with me. Well, it is a lot easier to sketch this out in a schematic than to craft the legislative language to implement it.

But we now have it spelled out, implemented in our bill. Here we are. So this is it. It is not an eye test, but this is my hand-drawn schematic of the future of transportation. I discussed it and reviewed it with audiences all over the Country, with practitioners. It took 770 pages of legislative language to implement it, but I think we are on the right track. I think we have got a good plan for the future. And we are going to have the financing to go along with it.

I think we need to get this bill passed by the August recess and have it on the President's desk by the end of September, and not wait 18 months. We don't have time for a learning curve for non-practitioners of surface transportation.

On those notes, thank you for your participation. The Committee is adjourned.

[Whereupon, at 4:40 p.m., the Committee was adjourned.]

OPENING STATEMENT OF
THE HONORABLE RUSS CARNAHAN (MO-03)
HOUSE TRANSPORTATION AND INFRASTRUCTURE COMMITTEE

Hearing on
Recovery Act: 120-Day Progress Report for Transportation Programs
Thursday, June 25, 2009
2167 Rayburn House Office Building

Chairman Oberstar and Ranking Member Mica, thank you for holding this hearing to assess the progress to date on the implementation of the Recovery Act and especially transportation programs under the jurisdiction of the Committee.

When looking at the implementation of the American Recovery and Reinvestment Act, I am encouraged by the progress that has been made in addressing the urgent need for job creation in this country. To date the Department of Transportation has obligated $19 billion in Recovery Package funding for over 5,300 transportation projects across the country, nearly 2,000 of which are already underway creating thousands of jobs in the construction sector. Additionally, many projects are being completed ahead of schedule and under budget allowing this funding to re-invested to create more jobs.

While I am pleased with the progress the Recovery Package has had on our economy, I do want to respond to Ranking Member Mica's comment about the Director of the Missouri Department of Transportation (MoDOT) concerns about the costs to MoDOT of being subject to reporting requirements. I agree with Chairman Oberstar's sentiment that if we give state DOTs one hundred percent federal funds for these projects, one hundred percent accountability comes with the funding. I do not agree with Mr. Rahn's cost assessment.

Additionally, I would say the reporting requirements are the least of MoDOT's concerns with regard to the administration of Recovery Package funds. Instead, I believe their selection process for the distribution of funds is a larger concern. In receiving funding, MoDOT failed, in my opinion to equitably distribute the funds throughout the state. In my district, only two transportation projects have been funded using Recovery Package funding. I am confident there are more projects that meet the ready to go requirements that could have been funded with Recovery Act funds. Due to years of underinvestment in our transportation infrastructure there is a large number of ready to go projects throughout the country.

In light of these frustrations, I would like to praise Chairman Oberstar's dedication to ensuring that areas around the country reap the benefits of the Recovery Package and staying true to his commitment in overseeing the implementation of the transportation and infrastructure provisions of the Recovery Act.

In closing, I want to thank our witnesses for joining us today to offer their testimony on the progress of the Recovery Package to date.

Harry E. Mitchell

Statement of Rep. Harry Mitchell
House Transportation and Infrastructure Committee
6/25/09

Thank you, Mr. Chairman.

The American Recovery and Reinvestment Act, H.R. 1, is making important investments in transportation and infrastructure, and today we will review its progress.

As of June 15, 2009, the U.S. Department of Transportation (DOT) announced $47.5 billion and obligated $17.5 billion in Recovery Act funding for projects provided under the American Recovery and Reinvestment Act.

Arizona is continuing to receive Recovery Funds, many of which are being invested in planned highway, bridge, transit, and other shovel ready infrastructure projects. As of June 15, 2009, nearly $40 million in Recovery funds had been invested in projects that are already underway. More than $63.5 million had been invested in projects that were already under contract. In addition, another $276 million were associated with projects that had been put out to bid.

When combined with the tax cuts and other relief contained in the Recovery Act, these investments will help create jobs and encourage commerce and other economic activity.

I look forward to hearing more from our witnesses on the current implementation and progress of the American Recovery and Reinvestment Act.

I yield back.

James L. Oberstar

STATEMENT OF
THE HONORABLE JAMES L. OBERSTAR
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
HEARING ON "RECOVERY ACT: 120-DAY PROGRESS REPORT FOR
TRANSPORTATION PROGRAMS"
JUNE 25, 2009

Just over 120 days ago, the American Recovery and Reinvestment Act of 2009 was signed into law, marking the culmination of more than a year's work by the Committee on Transportation and Infrastructure to ensure that transportation investment programs play a key role in our nation's economic recovery.

I am pleased to report that the Recovery Act has already begun to put Americans back to work. As of May 31, 2009, 4,098 highway and transit projects in all 50 States, three Territories, and the District of Columbia had been put out to bid and work had begun on 1,243 projects in 47 States and the District of Columbia. These projects have resulted in tens of thousands of workers getting off the bench and back on the job.

However, there is much work left to be done. As of May 2009, construction unemployment was 1,768,000 – that's 1,222,000 lost construction jobs since the recession began in December 2007. And while I am encouraged by what Federal, State, and local governments have already accomplished, more must be done.

Against this backdrop, I scheduled this oversight hearing to hear from Federal, State, and local transportation officials who are implementing programs receiving funding under the Recovery Act. We will also hear from a construction representative whose company and employees have benefited from Recovery Act funds.

I am pleased that we will be hearing today from three newly confirmed Administrators: Administrator Randy Babbitt of the Federal Aviation Administration (FAA), Administrator Joseph Szabo of the Federal Railroad Administration, and Administrator Peter Rogoff of the Federal Transit Administration. I look forward to working with you during the coming years.

To provide additional insight into what progress has been made to date, I would like to share the results of the vigorous oversight that the Committee has already done. Just ten days after the Recovery Act was signed into law, the Committee requested transparency and accountability information directly from States, metropolitan planning organizations (MPOs), and public transit agencies. Since then, recipients have reported regularly to the Committee.

According to the most recent submissions received by the Committee, as of May 31, 2009, just over 100 days after President Obama signed the Recovery Act, a total of 4,098 highway and transit projects in all 50 States, three Territories, and the

District of Columbia had been put out to bid, totaling $15.9 billion. That's over 46 percent of the total available formula funds for highway and transit projects.

Of these 4,098 projects that have been put out to bid, 2,294 highway and transit projects in 47 States and the District of Columbia were already under contract, an increase of over 200 percent in the 30 days since the previous reporting deadline (April 30, 2009). These projects under contract total $6.5 billion. Work had begun on 1,243 projects in 47 States and the District of Columbia totaling $4.4 billion, an increase of more than 225 percent in the number of projects underway in the past 30 days.

These 1,243 highway and transit projects underway have resulted in over 21,000 direct, on-project jobs. Direct, on-project jobs include workers employed to repair or build a new facility or maintain on-site equipment.

However, these direct, on-project job totals only tell half the story. These projects have also resulted in thousands of indirect jobs. Indirect jobs include jobs created at companies that produce construction materials such as steel, and manufacture equipment including new transit buses. When you combine the direct, on-project jobs with all the jobs that are created down the supply chain, the tally of jobs rises much higher.

The Committee also requested that all Federal agencies implementing programs that receive Recovery Act funds under the Committee's jurisdiction provide a table of specific Recovery Act projects. As of June 15, 2009, the Department of Transportation (DOT) had announced $47.5 billion of the total $48.1 billion provided under the Recovery Act. The Department has obligated 5,412 projects worth $17.5 billion. Within this total, State Departments of Transportation have obligated funds for 4,366 highway projects totaling $14.4 billion, approximately 54 percent of the total highway formula funds.

This transparency and accountability information speaks for itself: Federal agencies, States, and their local partners have demonstrated that they can deliver transportation and infrastructure projects and create urgently needed employment in the tight timeframes set forth in the Recovery Act.

The Act further requires that 50 percent of the highway formula funds apportioned to States to be obligated within 120 days (June 30, 2009) after the date of apportionment. I am pleased to report that 43 States and the District of Columbia had already reached this goal a full two weeks before the deadline.

The Act also requires the FAA to award 50 percent ($550 million) of airport grant funds within 120 days (June 17, 2009) after the date of enactment. I am pleased that the FAA exceeded this goal by awarding 66 percent ($725 million) of the airport grant funds by the statutory deadline.

The success of meeting these "use it or lose it" provisions should send a clear message to all Federal, State, and local governments implementing Recovery Act projects: you can quickly deliver transportation projects, put shovels into the ground, and in doing so improve our nation's infrastructure and lift our economy out of recession.

Throughout development of the Recovery Act, I emphasized the importance of transparency and accountability and ensured that the transportation and infrastructure provisions would be subject to the most rigorous transparency and accountability requirements of the Act. I am pleased that the Obama administration adopted many of these ideas, not just for transportation, but for all programs funded under the Act.

I also promised that the Committee would vigorously oversee implementation of the Recovery Act. The Committee will continue to require periodic direct reporting to the Committee by recipients of transportation and infrastructure funds under the Recovery Act as well as Federal agencies implementing Recovery Act programs funds under the Committee's jurisdiction, to ensure that the funds are invested quickly, efficiently, and in harmony with the job-creating purposes of the Act. In addition, the Committee will continue to hold public hearings to examine the successes and challenges under the Act.

While much work remains, I am pleased with the progress that has been made in the first 120 days since enactment of the Recovery Act. I look forward to hearing the testimony of today's witnesses and discussing what is being done to ensure that Recovery Act funds will continue to create good, family-wage jobs as quickly as possible, while at the same time improving our deteriorating infrastructure and laying the foundation for future economic growth.

Congresswoman Laura Richardson
Statement at Full Committee on Transportation and Infrastructure
Hearing on
"Recovery Act: 120 Day Progress Report for Transportation Program"
Thursday, June 25, 2009
2167 Rayburn House Office Building-11:00 A.M.

Mr. Chairman, I want to thank you and Ranking Member Mica for holding this hearing today regarding the Recovery Act and the initial successes and challenges that have come with spending the $64.1 Billion allocated for infrastructure investment. The periodic oversight hearings help to ensure this investment is well spent and fully utilized.

These are indeed historic times that require drastic action on the part of the Congress. ~~I understood~~ This 111th Congress, the Administration and the American people understand the incredible magnitude ~~of~~ by the American

problems and solutions

Recovery and Reinvestment Act, ~~when it came before the House~~. ~~I was proud to support it.~~ The construction and passage of the bill was only half the battle, of course. It is our responsibility to ensure that the funding is provided equitably and to those industries who can create jobs.

I have consistently said that infrastructure spending was perhaps the most critical area for Congress to focus on. The construction sector had lost over 1 million jobs and many of those folks could easily be put back to work rebuilding their communities and making safer bridges and roads for all Americans.

Infrastructure spending will improve or economic supply chain. My District, California's 37th, is the poster child for transportation and goods movement. We are a culturally diverse community and one with tremendous economic needs. While the statewide unemployment rate in California is above the national average at 10.4%, parts of my District are battling rates above a staggering 18%. Funding from the Recovery bill is therefore absolutely critical for communities like mine.

I have particular concerns about whether this funding is being made available to everyone, including minority communities and disabled Americans. Outreach is critical. Small, minority-owned businesses around the nation would benefit greatly from THEIR PART ~~a slice~~ of the stimulus funding. Many of these businesses are based the communities that need job growth the most. Are agencies and departments reaching out to communities in different ways? Are we ensuring that everyone knows where to find grant and loan opportunities? I look forward to hearing about this issue from our panelists.

Again, Mr. Chairman, it is so important that we are here today and that this oversight continues. Fraud will cause a loss of confidence by the American people and, more importantly, the wasteful loss of tax dollars. Further, spreading the opportunities in the stimulus will spread jobs nationwide.

I urge the Committee to stay on its present course OF ACCOUNTABILITY and show the American people where their hard-earned tax dollars are going.

Thank you, Mr. Chairman.

STATEMENT OF THE HONORABLE RANDOLPH BABBITT, ADMINISTRATOR, FEDERAL AVIATION ADMINISTRATION, BEFORE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE, U.S. HOUSE OF REPRESENTATIVES, ON IMPLEMENTATION OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009. JUNE 25, 2009.

Chairman Oberstar, Ranking Member Mica, and Members of the Committee:

I welcome the opportunity to testify today on the Federal Aviation Administration's (FAA) progress in implementing our responsibilities under the American Recovery and Reinvestment Act of 2009 (ARRA or Recovery Act). It is a pleasure to appear with my fellow modal representatives from the Department of Transportation (DOT) to outline our achievements in meeting the very challenging deadlines that the ARRA established. We believe this is a real success story. Under Secretary LaHood's "Tiger Team" effort, the Department has established a rigorous approach to implementing and overseeing the funds made available by Congress. This morning I will first briefly outline the requirements of the Act for FAA's programs and then provide the Committee with the status of our efforts so far in putting these funds to work on worthwhile airport projects and air traffic facilities and equipment projects that are putting people to work on improving and strengthening the Nation's aviation infrastructure.

Just a little over four months ago, Congress passed and President Obama signed ARRA into law. The Act provides a total of $48.1 billion for DOT's transportation programs. The purposes of the law are clear: to preserve and create jobs; promote economic recovery; and invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits. The Act also makes clear that Congress and the President want strong and tough oversight of the use of the stimulus funds. All Federal agencies are charged with managing and expending economic recovery funds so as to achieve the purposes of the Act, including commencing expenditures and activities as quickly as possible consistent with prudent management.

Of the $48.1 billion appropriated to DOT, the FAA received a total of $1.3 billion for aviation infrastructure improvements. $1.1 billion of that amount was for grants to individual airport owners for airport development such as runways, taxiways, aprons, airfield lighting, terminal buildings and high priority safety or security equipment. The remaining $200 million was provided for the FAA's Facilities and Equipment program to help upgrade FAA's power and navigation systems and modernize air traffic facilities.

Airport Project Funds

Under the FAA's normal Airport Improvement Program (AIP), funding is made available to the FAA from the Airport and Airway Trust Fund and is authorized as contract authority. Much of this funding is distributed through grants based on a statutory formula. A portion of AIP is made available through discretionary grants. AIP grants are subject to various eligibility and program management requirements under title 49, United States Code.

On the other hand, the ARRA funds were made available to FAA from the General Fund, and, while they were not specifically authorized under title 49 for projects under the AIP, the ARRA statute clearly indicated that the stimulus funds for airport purposes were to be administered as discretionary funds and be subject to the requirements applicable to the normal AIP. This means that all normally required grant documentation and filing applies to the administration of ARRA projects; and all normal AIP grant conditions, certifications and assurances apply, including grant assurances related to Disadvantaged Business Enterprises (DBE) participation. The ARRA also contains express Buy American and Federal wage rate requirements. As discretionary grants, the stimulus funding is not subject to AIP formulas, apportionments, or minimum set-asides.

Another noteworthy distinction is that there is a 100% federal share for the ARRA airport grant program, meaning that there is no local match required for airport grants issued under the Act. Under normal AIP, the local match would be 5 to 25% of eligible project cost.

As this Committee is well aware, the Recovery Act sets forward some very specific timelines for award and project completion. For FAA, half of the $1.1 billion made available for airport grants--$550 million--was required to be awarded within 120 days of enactment of the Act, or by last Wednesday, June 17, 2009. On behalf of the President, Secretary LaHood, and the hard-working FAA airport staff, I am very pleased to report that we not only met that milestone, we exceeded it and actually awarded $ 725 million, or 66% by the June 17th deadline. This funding is going directly into the economy now and making a difference both in the short term supporting as many as 7,900 jobs as well as the long term with high value infrastructure improvements.

Under the terms of ARRA, the remaining funds must be awarded within one year of enactment of the Act, or by February 16, 2010. Consistent with the goal of the Recovery Act to put these funds to work as quickly as possible, FAA's internal objective is to have at least 90% of the airport grant funding, or $988 million, awarded before the end of this fiscal year.

The ARRA funds will be generally available through September 30, 2010, for recovery and reobligation. Thereafter any remaining unobligated funds return to the U.S. Treasury.

With regard to how we selected projects for these grant funds, we distributed the ARRA funding to airports under the same, audit-tested criteria as the existing AIP discretionary grant program. We determined the distribution of funds through our existing allocation process and national priority system. The airport community is very familiar with these standards and processes. In contrast to other ARRA transportation funding programs where funds are delivered by formula to States and local governments ahead of actual project selection, our ARRA airport grant program requires that projects be designed and bid before grant awards. While there may be more time upfront required for planning and bidding airport projects before the funding is released, this pays off ultimately because project construction can begin shortly after grant award. This system results in planned, ready-to-go projects of lasting value.

With FAA's grant process as the guiding beacon, FAA identified a candidate pool of the highest priority projects by region, and distributed a tentative funding allocation to the nine FAA Regions to allow each Region to initiate the four-step grant process described above. Additionally, FAA took specific action to assure that ARRA funds were directed to the highest priority projects that could meet the time schedule and "readiness standards" required, as noted above.

First, within the existing statutory priorities, preference was given to those projects that demonstrated they had or were able to meet all statutory requirements necessary to proceed, i.e. that they were truly "ready-to-go". For purposes of ARRA administration, "ready-to-go" was defined as a project that:

- had an environmental determination;
- had received all requisite airspace approvals;
- appeared on the candidate Airport's approved Airport Layout Plan;
- if required, had a completed FAA-approved benefit-cost analysis;
- had design substantially complete;
- would be bid prior to the time of grant award;
- would be able to issue a "Notice to Proceed" to the contractor within 30 calendar days of a Grant Offer;
- had the airport sponsor's respective certifications as to bid and anticipated Notice to Proceed; and
- was expected to be completed in two years, or no later than February 16, 2011.

Next, project selection for ARRA funds was based upon existing statutory priorities as detailed within our normal AIP criteria, known as the National Priority Rating (NPR) System. The NPR system is a numerical model that is one of several tools we use to prioritize airport development. The values generated by the model serve to categorize airport development in accordance with agency goals and objectives. The model generates values between 0 and 100 with 100 generally being the most consistent with agency goals. In general, in order to ensure that ARRA funding benefited the highest priority needs quickly, we considered funding only those projects scoring a 62 or higher on this scale (compared to the regular AIP where funding can be directed to projects scoring lower on the scale).

As a result, the vast majority of the funding allocations, over 80%, are for enduring, high quality, high priority airside infrastructure to preserve the nation's airports' runways taxiways and aprons necessary for the landing, take-off and surface movement of the country's civil aircraft fleet. The balance of the ARRA funding is for renovation or replacement of aging terminal buildings at smaller commercial airports, new airport construction, safety and security projects, and various high priority obstruction removal, lighting and guidance signage installation projects.

We did not provide ARRA funding to any project that was planned for funding in Fiscal Year 2009. These projects were not considered for Recovery Act funding because the legislation requires that economic recovery funds **supplement** and **not supplant** planned expenditures from regular AIP grants, airport-generated revenues or from other State and local sources for airport development activities. The Recovery Act also directed that priority be given to projects that could be completed within two years of the date of enactment of the Act, or Feb 17, 2011. FAA interprets the term "completed" as when construction or acquisition of equipment is finished as determined by a final project inspection.

In addition to time deadlines, "supplement and not supplant" criteria, and the NPR model, and in keeping with the intent of the law to create jobs throughout the United States, FAA was mindful of one final consideration. FAA monitored the allocation of ARRA funding to guide the distribution so as to attempt to reflect historical patterns of regular AIP grants, including sensitivity to geographical distribution and by types of airports (general aviation versus commercial service). In fact, the announced projects represent ARRA funding in every State for airport grants.

Finally, FAA targeted airports with projects that addressed airport safety and security, preserving aging infrastructure, reducing runway incursions, increasing capacity, and mitigating environmental impact of aviation. The FAA also targeted several special emphasis investments that will greatly benefit local communities such as Runway Safety Areas (RSA), airfield pavement rehabilitation projects, and non-hub terminal projects that represent aging facilities in smaller markets that are difficult to fund through local fees and charges.

For example, we are providing ARRA funding to:

- Improve the Runway Safety Areas at Pauls Valley Municipal Airport in the City of Pauls Valley, Oklahoma. This project will enhance safety at the airport and is expected to create or sustain 18 jobs.
- Sound attenuate educational areas within the Hitch Elementary School in Chicago, Illinois. This project will improve the learning environment of students by reducing aircraft noise inside the school and is expected to create or sustain 65 jobs.
- Construct a new airport that will primarily serve air ambulances and medical aircraft that support the Rosebud Indian Heal Service Hospital in Mission Sioux, South Dakota. This project is expected to create or sustain 45 jobs.
- Construct a replacement passenger terminal at MBS International Airport in Saginaw Michigan to replace the existing terminal that has outlived its useful life and has become extremely costly to maintain. The ARRA funding provided is expected to create or sustain 138 jobs.

Facilities and Equipment Funds

As noted at the outset, in addition to the $1.1 billion for airport projects, the Recovery Act made available an additional $200 million for FAA's Facilities and Equipment (F&E) program to support FAA infrastructure modernization and sustainment. F&E projects represent the necessary facilities and equipment, as the name implies, to support air traffic operations. The funding is being used to replace airport traffic control towers, improve air route traffic control center buildings, replace and improve power systems and implement navigation and landing system components. Specific examples include: replacement of elevators and exterior structural walls at many of our en-route centers, installation of instrument landing and runway lighting systems, replacement of components such as lamp monitoring equipment, fuel storage tank replacements, installation of equipment for grounding, bonding, and lightning protection, replacement of engine generator and power supply systems, and replacement of heating/ventilation/air conditioning systems for unmanned navigation equipment shelters. These projects save the agency money because of the increased energy efficiency and decreased maintenance and repair costs.

In accordance with the allocation of the F&E funding set out in the Recovery Act, the distribution of the $200 million will be as follows:

o Power Systems	$50 Million	90 Sites
o ATCT/TRACON Facilities	$80 Million	3 Towers being replaced
o ARTCC Modernization	$50 Million	18 Centers
o Navigation/Landing Facilities	$20 Million	145 Sites

For F&E, we do not have specific requirements that are applicable to the airport grant funds (i.e. the requirement to obligate 50% within 120 days). However, F&E obligations using ARRA funds through June 17, 2009 were $47.9 million. We project an additional $30.2 million by the end of this month and our plan calls for total obligations of $129.47 million by September 2009, $158.16 million by March 2010, and $200 million by July 2010.

All of these projects are work that the agency had planned. That is, they were part of our corporate work plan; the ARRA funding allows us to accelerate the plan. We are using many existing FAA contracts that were originally competitively awarded, to accomplish the work and begin the projects quickly. The major advantage of having Recovery Act funds for F&E is that we are able to accelerate needed improvements to our facilities or start replacement projects sooner. We look forward to reaping the benefits of such projects, including greater energy efficiency and cost savings resulting from the extension of the operating life of our facilities.

Transparency Is Paramount

All funds issued under this Act are subject to extraordinary scrutiny with strict reporting requirements. Under our oversight system and schedule, airport project grant recipients must submit periodic reports to the FAA on the use of Recovery Act funds no later than 90 days (5/18/09), 180 days (8/16/09), one year (2/17/10), two years (2/17/11), and three years (2/17/12) after the date of enactment of the Recovery Act. These reports will be collected and compiled by the FAA and transmitted through the Department to Congress and include the following:

- the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed;
- the number of projects that have been put out to bid and have been awarded;
- where work has begun and been completed;
- the amount of Recovery Act funds associated with such projects;
- estimates of jobs created or sustained, including job years created and the total increase in employment since the date of enactment;
- actual expenditures by each grant recipient from economic recovery funding; and
- actual expenditures as compared to the level of expenditures that were planned to occur during such time as of the date of enactment of the Act.

Currently, FAA is making all ARRA program information publicly available by posting the information on the FAA Recovery Act website as updated project information becomes available for both airport and Facilities & Equipment projects. The information available for the public includes the amount of Recovery Act funds received, expended, and obligated, on a project basis.

In addition, the Office of Management and Budget (OMB) has recently issued guidance for ARRA recipient reporting data that must be submitted to OMB each quarter. The first cycle for this recipient reporting will begin in October 2009. The reporting requirements include a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on subcontracts or subgrants awarded by the recipient. FAA has ensured that the provisions for outreach and education, and data collection associated with those requirements were put in place.

To ensure that the grantees were aware of these additional reporting requirements and to ensure compliance, FAA included special conditions within each grant and contract requiring this reporting as a condition of acceptance. Similarly, the Facilities and Equipment prime contractors have been directed to complete a Monthly Prime and Subcontractor Employment Report for each project location. This guidance was incorporated into FAA's Acquisition Management System (AMS) on March 31, 2009. Each existing contract and future contract that uses ARRA funding contains the AMS job reporting requirements.

Finally, before issuing the first grant, FAA conducted proactive outreach to external stakeholders and the Office of the Inspector General through meetings and conferences throughout the country to ensure all parties were committed to the processes necessary to meet the ARRA objectives of timely, high priority and transparent project development. As a result, FAA published specific written guidance for airports and the public that detailed how FAA intended to implement the effective administration of ARRA grants.

Conclusion

In slightly over 120 days since the FAA received its $1.1 billion allotment of ARRA funds for airport infrastructure improvements, FAA has identified and announced tentative funding (subject to timely receipt of construction bids) for nearly all of the funding available by ARRA. Because of the long lead time associated with constructing complex airport infrastructure projects, the vast majority of the highest priority, ready-to-go projects had already been identified in FAA's 3-5 year Airport Capital Improvement Plan. This reflects well on the long history of project planning coordination between individual airport sponsors and the FAA.

The FAA also continues to proceed rapidly with deploying the Recovery Act's facilities and equipment funding to accelerate projects that will generate environmental improvements, cost savings, and improved facility conditions for our employees. We are doing all of this transparently, and cognizant of ARRA's primary short-term goal: to put people back to work across the country.

Mr. Chairman, the FAA is proud of what we have accomplished to date. We are in the midst of millions of dollars of bids being received daily. The bidding process is robust and the savings resulting from excellent bid results is allowing us to stretch the dollars--to fund even more ARRA projects then originally expected. We thank you for your support in this effort and will continue to keep you informed about our progress.

That concludes my prepared statement. I would be happy to answer any questions you and the Members of the Committee may have.

TESTIMONY

OF

JOSEPH H. BOARDMAN
PRESIDENT AND CHIEF EXECUTIVE OFFICER
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BEFORE THE

HOUSE COMMITTEE ON TRANSPORTATION
AND INFRASTRUCTURE

THURSDAY, JUNE 25, 2009
11:00 A.M.

2167 RAYBURN HOUSE OFFICE BUILDING

Good afternoon, Mr. Chairman, and thank you for the invitation to testify before the Committee. This is an exciting time for us - since the last hearing on April 29, we have been working hard to translate dollars into works. The company is in motion, and work is underway on not only the vast task of organization and oversight, but on the projects that will ultimately modernize and transform our system. I have come today primarily to talk about the disbursement of the $1.3 billion dollars in Amtrak grants, but I would also be happy to discuss our progress on the $8 billion intercity grant program. We have been working closely with the Federal Railroad Administration, and they have approved about 90% of the projects on our $1.3 billion project slate. About ten percent of the total is as yet unapproved, and those are security and safety projects that also require the approval of the Department of Homeland Security. We have awarded about $41 million dollars of the $1.3 billion we will receive in ARRA funding, but I expect that our "spend rate" will increase significantly in the coming months, and we are preparing for that.

We all know this is a complex and challenging process, but I am convinced that the RFI/RFP process does a good job of protecting the taxpayers' investment. Those proceedings are deliberate, and they're designed to be deliberate. We are soliciting letters of interest from contractors for the fixed bridges we discussed in April, and major projects that are in 'request for proposal' stage of the contracting process include several of the major tunnel fire and life safety programs in New York we discussed in April. During the next 90 days, we expect to award $190 million worth of projects that will be managed directly by Amtrak staff. Among the latter are improvements to the fire standpipe systems in those tunnels and Positive Train Control. Since our hearing on April 29, work has advanced on two of the major projects we discussed last time around – the Wilmington and Sanford stations. We broke ground at Sanford about two weeks after the last hearing, and Ranking Member Mica joined us to celebrate the complete renovation of the southern terminal of our very successful and popular *Auto-Train* service.

Projects that can be advanced with our own workforce are another area where we are making progress. We have added 222 employees to our engineering force to deal with ARRA-related expansion, and right of way work on the Northeast Corridor begins next month. This will include improvements such as ditch and drainage improvements, retaining wall upgrades, and improvements designed to improve the integrity of the roadbed along nearly 230 miles of the New York, Mid-Atlantic and New England Divisions.

Similarly, we are making progress on our equipment plan. We do most of this work in-house with an Amtrak workforce, and we also have existing agreements and inventory levels for parts. In some cases, progress is still subject to the ability of suppliers to get us needed components, but we are moving ahead. ARRA funding has allowed us to add 52 mechanical employees at our Bear Delaware facility and another 108 employees at our backshop in Beech Grove, Indiana. I expect the workforce in these two facilities will be returning the first of the Amfleet cars to service in the middle of July, and the first of the Superliners at the end of July.

At the end of July, we also hope to award the contract for the team of Regional Project Managers who will manage a slate of 394 projects with a total dollar value of $636 million. Amtrak does not have the resources necessary to manage, procure, and administer the design services and construction work needed to complete all of these projects (many of which will be design-build contracts for projects such as stations, a key component of the multi-modal effort) by February, 2011. Consequently, we will let a contract to manage these projects to professional architectural, engineering and construction management firms with the experience necessary to deliver results.

Many of these projects will be relatively small, and they will be excellent candidates for Small Business set-asides. The Regional Project Managers will oversee this effort and our expectation is that they will achieve the goals of expanding our outreach and relationships with Small Businesses and Disadvantaged Business Enterprises, which are the cornerstone for the growth and diversification of the industry's supplier base. As we noted in previous testimony, we are working hard to reach out to these firms. We have built a procurement website, HTTP://procurement.amtrak.com/, where we advertise stimulus project opportunities, and we have included a special tab on this website that provides information focused on SB and DBE participation. Prime contractors who meet SB and DBE goals will receive additional points on the scoring criteria for their responses to our requests for proposal.

This money will help to finance projects around the country, and it will advance some breakthrough projects to bring service speeds up to 110 mph. I should note that some of the $1.3 billion that Amtrak is investing will lay critical groundwork and provide long term benefits for the development of high speed rail – for example, the $10 million we're investing in Positive Train Control in our Michigan line. There are a couple of corridors that are ready to go, and the Congress and Administration have challenged us – not just to get the work done, but to produce measurable results. This is a real challenge, and we are going to do our part to advance it.

Nobody out there knows as much about making high speed service a reality in North American conditions as we do, and I think the men and women of Amtrak have earned the chance that we now have – the chance to bring the next big improvement in rail service to someplace where it's really needed.

Amtrak is unique; we aren't just a company, we're a mode of travel, and I often find that all of the latent desire and hope people feel for passenger service is vested in us. And they're willing to go a long way to help out, rehabilitating stations and providing hosts at many of our stations to help travelers. That's really something. And as enthusiastic as the people who have train service are, they've got nothing on the people who don't have service, but want it. They are tireless advocates, and they're a real inspiration. We have a long road ahead of us, and a lot of work, but I will close by pledging our total support for the program of development we have ahead of us. The summer and fall are going to be busy, but you can rest assured that we will be working with the industry, the states, the FRA and the Committee to help advance the transformational vision for passenger rail service in the United States.

AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS

AASHTO

THE VOICE OF TRANSPORTATION

TESTIMONY OF

THE HONORABLE LARRY L. "BUTCH" BROWN

EXECUTIVE DIRECTOR AND CHIEF ADMINISTRATOR OFFICER
MISSISSIPPI DEPARTMENT OF TRANSPORTATION

ON BEHALF OF

THE AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS

REGARDING

THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009:120-Day Progress Report for Transportation Programs

BEFORE THE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
U.S. HOUSE OF REPRESENTATIVES

JUNE 25, 2009

American Association of State Highway and Transportation Officials♦444 North Capitol Street, N.W., Suite 249, Washington, D.C. 20001♦202-624-5800

Mr. Chairman and Members of the Committee, my name is Butch Brown. I am Executive Director and Chief Administrative Officer of the Mississippi Department of Transportation and Vice President of the American Association of State Highway and Transportation Officials (AASHTO). I am here today to testify on behalf of AASHTO, which represents the departments of transportation in the fifty states, the District of Columbia and Puerto Rico.

First, I want to thank you, Mr. Chairman, for the continued vigilance of you and your Committee in ensuring that we deliver on the promises of American Recovery and Reinvestment Act of 2009 (ARRA), which included substantial funding for transportation projects. We appreciate that you and the Members of your Committee recognize the contribution that transportation capital investments are making toward turning our economy around. With these transportation capital investments we are putting our dollars into physical assets lasting 50 to 100 years or move and providing future generations with a modernized transportation system at the same time we are creating and sustaining good paying "made-in- America" jobs.

Today, I want to emphasize three points –

- The State departments of transportation are on target for obligating 50 percent of the non-suballocated funds by the June 30, 2009 deadline, as required by ARRA.
- The State departments of transportation are delivering on economic recovery, job creation and long term transportation capital assets -- projects are under construction and people going back to work in good paying jobs.
- The State departments of transportation are directing funds for ready-to-go projects that will spread economic recovery and job creation to all corners of the States, distributing funds equitably with special consideration to economic needs and geographic balance.

The Goals and Requirements of the American Recovery and Reinvestment Act of 2009 (ARRA)

In specifying the purposes of the Act, Congress outlines several objectives of direct implication for transportation, including the preservation and creation of jobs to promote economic recovery, and the investment in transportation infrastructure "that will provide long-term economic benefits." The American Recovery and Reinvestment Act provided $48 billion for transportation investments out of a total economic recovery package of $787 billion:

- $27.5 billion for highways (of which $26.81 was apportioned to the States and balance is the Federal Lands and Indian Reservation Program, for highway surface transportation and technical training, DBE bonding assistance, the Territorial Highway Program, the Puerto Rico Highway Program, the Ferryboat Discretionary Program, and FHWA Oversight.
- $8.4 billion for transit
- $8.0 billion for intercity and high speed passenger rail
- $1.3 billion for Amtrak
- $1.5 billion for National Surface Transportation Discretionary Grants.

Mississippi received in excess of $354 million in stimulus money for transportation projects and MDOT received the bulk of the money for statewide projects. Nearly $74 million is being spent in areas with a population of less than 200,000. Another $11.7 million was put in a fund for our State Aid Division for roads in areas of less than 5,000 people.

Congress included a number of provisions that impact the distribution and use of highway economic recovery funds. For example –

- Priority shall be given to projects projected for completion within a 3-year time frame, located in economically distressed areas, can be delivered expeditiously and will maximize job creation and economic benefits.
- Of the amount of funding for the highway stimulus program, Congress extends eligibility beyond the current highway program to include passenger and freight rail and port infrastructure projects.
- Of the amount of highway funds apportioned, 3% is set aside for Transportation Enhancements and 30% is suballocated within the States according to the existing suballocation rules.
- All Title 23 statutory and regulatory requirements will apply to these projects, including all environment, procurement and labor provisions regardless of project size or location.

States are On Target for Obligating Funds

The State departments of transportation must obligate 50% of their apportioned highway funds (excluding suballocated funds) within 120 days after the funds were apportioned – that deadline is June 30, 2009.

All apportioned highway economic recovery funds (including suballocated funds) must be obligated by September 30, 2010.

The State departments of transportation are on target for delivering projects –

- According to the U.S. Federal Highway Administration's daily tabulation, as of June 16, 2009, $14,541,637,471 or 54% of the ARRA highway dollars apportioned to the States has been obligated.

- As of June 16th, all states, the District of Columbia and Puerto Rico have projects underway. FHWA estimates that there are 914 projects under construction valued at $2,719,061,540 in the states, D.C. and the Territories.

Mississippi, for example, has obligated nearly 80 percent of its apportioned funds for highways and bridges. In total, Mississippi plans on letting approximately 165 contracts using the ARRA funding. These contracts will be let by the State DOT, Office of State Aid Road Construction, and local public agencies both within and outside of metropolitan areas. The number of direct, on-project jobs created and sustained by the Recovery Act funds as of late May is 524. This Act has restored jobs essential to family survival and self sufficiency, rebuilding America infrastructure and repairing roads, bridges and livable communities.

States are On Target for Delivering Projects that are Creating and Sustaining Jobs and Maximizing Economic Benefits

With more than 4,200 highway projects now approved totaling almost $15 billion, all the states have construction underway. The orange barrels are out and workers are back on the job. During the disbursement of stimulus funding ,one of our Transportation Commissioners was quoted in saying that in all, Mississippi has $6 billion in transportation needs. "There has always been more *need* than resources, so we are pleased to now have an opportunity to begin work on several important area projects." Our Transportation officials crafted a plan that provided equitable distribution of projects throughout Mississippi, to ensure the greatest possible impact in terms of job creation and economic development. The stimulus dollars will also provide critically-needed funding for improvements to an aging infrastructure system.

A recent news report from **New Hampshire's** *Winnisquam Echo* illustrates the success of job creation and preservation. Because of the stimulus funds, Pike Industries, a local highway construction company, has been able to preserve 250 jobs and add 100 more in the New Hampshire area alone. The company's president also describes the multiplier effect – new employees "buy new work clothes and shoes,...feed and clothe their families and...spend mony on recreation and entertainment." The trickle down also benefits smaller companies with which Pike Industries subcontracts.

States are On Target for Delivering Ready-to-Go Projects that are Targeting Economically Distressed Areas and Spreading Economic Benefits across All Areas of the States

The economic recovery legislation's goal of maximizing job creation and economic benefits also directs recipients to give priority to projects that can be completed in three years, can be quickly delivered, and can benefit economically distressed areas of the states. The State departments of transportation, working in cooperation with their metropolitan and local governments, are taking all these criteria into consideration as they identify and advance ready-to-go economic recovery projects. The challenge is to balance resources across all areas of the state in a way that will maximize long-term economic benefits and deliver job creation and preservation to the most economically depressed areas of the states. It is a further challenge to track and report the actual employment impact since many people seek and find employment beyond the immediate areas in which they live.

The National Surface Transportation Infrastructure Commission found in its finding, that the roots of our current transportation crises lie in our failure as a nation to fully understand and, act on the coasts of deferred investment in our surface transportation infrastructure, especially in the face of an aging infrastructure, a growing population, and an expanding economy. From 1980 to 2006, the total number of miles traveled by automobiles increased 97 percent and the miles traveled by trucks 106 percent. Over the same period, the total number of highway lanes miles grew a negligible 4.4 percent—meaning that over twice the traffic was traveling on essentially the same roadway capacity. Real highway spending per mile traveled has fallen by nearly 50 percent since the federal Highway Trust Fund was established in the 1950s. Total combined highway and transit spending as a share of gross domestic product (GDP) has fallen by about 25 percent in the same period to 1.5 percent of GDP today. Because it is not adjusted for inflation, the federal gas tax had experienced a cumulative loss in purchasing power of 33 percent since 1993—the last time the federal gas tax was increased.

In Arkansas, with 70 of their 75 counties are designated as Economically Distressed Areas (EDAs), the **Arkansas State Highway and Transportation Department** was faced with several issues in developing a program of "shovel-ready" projects:

- Not all EDAs in the State had projects that were ready-to-go.
- Arkansas' population centers, which had major, ready-to-go projects, are not located in the EDAs

Therefore, the Arkansas State Highway and Transportation Department coordinated with local officials and the contracting industry to assure that major projects in non-EDAs (e.g., development of Congressionally-designated High Priority Corridors, major widening of regional connector routes and urban, freeway-to-freeway interchange modifications) would draw construction employees from neighboring EDAs. The Department also considered what they believed to be the overall intent of the ARRA, and strived to distribute highway projects geographically to as many areas of the State as possible. The result is that the program of highway economic recovery projects will deliver 84% of the jobs to EDAs, 81% of the dollar amount of work will be undertaken in EDAs, and at least one project will be located in 80% of the EDAs. As of June 10, 2009, the Arkansas State Highway and Transportation Department had issued a "Notice to Proceed" on 51 ARRA-funded projects; 48 of these are in EDAs.

Immediately following enactment of ARRA, the **Arizona Department of Transportation** instituted a process for identifying projects for economically distressed areas of their state, represented by 12 of 15 counties. The process was complicated by the fact that 75% of their population resides in non-economically distressed areas as defined by the U.S. Economic Development Administration (EDA). Yet those non-economically distressed counties were also affected by the economic downturn. Arizona used an alternative approach that weighted economic distress as compared to a per capita share of resources. The result is that 60% of the projects and 40% of the highway economic recovery funds will be directed to economically distressed areas of the state representing 25% of the population.

States are On Target for Delivering Projects Across All Modes

The States are investing highway economic recovery funds in projects to deliver smoother and safer roads and bridges, to reduce congestion, and to long-term economic benefits while delivering good paying jobs. Congress also expanded the eligibility of the highway funds to include intercity passenger and freight rail and port projects, and states are using that flexibility.

ARRA Funds Flexed for nation's Waterway Projects – The United States Army Corps of Engineers New Orleans District issued its first two contracts funded by the American Recovery and Reinvestment Act—with a combined valued of $9.9 million, these contracts were awarded for maintenance dredging of the Mississippi River's Southwest Pass. During the high water season, maintenance dredging is necessary to maintain authorized project dimensions and provide safe, efficient river channel for the navigation industry. With four of our nation's top fifteen ports located along the Mississippi River between Baton Rouge and Gulf of Mexico, this navigation plays a critical role. There is no better return to the U.S. economy than investment in our nation's critically important lock-and-dam infrastructure. Our waterways system transport 20 percent of the nation's coal burned to generate electricity in utility plants and around 22 percent of domestic petroleum products. The inland waterway system is the primary artery for more than half of grain and oilseed exports, feedstock to chemical plants and aggregate material for construction use.

Highway Funds Flexed to Rail Projects – The Iowa Department of Transportation will provide $5 million for four freight rail projects. The projects include, for example, $2 million to the Clinton Regional Development Corporation to establish rail access to an industrial park and to add passing track to facilitate switching; and $2 million to the Iowa Interstate Railroad to upgrade an intermodal facility.

Highway Funds Flexed to Port Projects – The Port of Tacoma, Washington will be the direct beneficiary of $15. 4 million in highway stimulus funds for a highway-rail grade separation project. The project will raise a five-lane major roadway above train tracks eliminating four at-grade rail crossings. Currently trains blocking the corridor cause truck and vehicle delays up to 45 minutes several times a day. This is the first phase of a larger $60 million freight project for the Port that will enhance access and improve traffic circulation.

Highway Funds Flexed to Transit Projects – The Iowa Department of Transportation has transferred $440,200 in highway economic recovery funds to transit projects, funding the purchase of 4 light-duty (body-on-van-chassis) buses, 3 ADA minivans, 2 non-ADA minivans and one service truck for use in rural areas of the State.

Highway Funds for Bike/Ped Projects- The Washington State Department of Transportation has awarded over $20 million of their highway economic recovery funds to bicycle and pedestrian improvement and safety projects, and multi user trails.

Highway Funds for Smoother, Safer Roads and Bridges – The Colorado Department of Transportation reached its goal obligating 50% of the apportioned highway economic recovery funds (excluding suballocated funds) on May 12th. Just this past week the Colorado Department of Transportation began a three-mile pavement resurfacing project on I-25 in Denver. Earlier this month, the North Carolina Department of Transportation awarded a $3.4 million contract to resurface the roadway and exit ramps along a 2 ½ mile section of the Raleigh Beltline (I-440).

Highway Funds for Congestion Relief – Last week the Colorado Department of Transportation began widening State Highway 9 to four lanes though north Breckenridge. The project will include the reconstruction of two intersections, new traffic signals, relocating segments of a bicycle/pedestrian path, a new pedestrian bridge, new retaining walls and water quality ponds, drainage improvements and wetlands mitigation.

Transit. The ARRA provides $8.4 billion in funds for public transportation which is made available to the Federal Transit Administration for three different programs – transit capital assistance, fixed guideway infrastructure investment and capital investment grants. A few States oversee urban transit programs but most have responsibility only for the non-urban transit capital assistance program.

Of the $8.4 Billion set aside for transit in ARRA, $760 Million is allocated to the States for the non-urban transit program. Fifty percent of the funds must be obligated by September 1, 2009, and because of the 60-day Department of Labor approval period, states must submit their economic recovery transit grant applications by July 1, 2009.

The Federal Transit Administration to date has awarded 112 grants totaling $1.42 billion and 354 grants totaling $3.39 billion are pending. AASHTO surveyed the State departments of transportation and found that

- Five State departments of transportation have had one or more of their state ARRA grant applications approved by the Federal Transit Administration
- Nineteen State departments of transportation have grant applications pending approval with the Federal Transit Administration.
- The remaining States are in the process of submitting grant applications and we anticipate that all State will have submitted their grant applications by the July 1, 2009 deadline.

The States with approved non-urban transit grant applications include Connecticut, Iowa, Kentucky, Maine and Missouri. Missouri has been awarded $14.6 million of its initial $20.7 million allocation of ARRA rural transit capital funds for transit vehicle replacement projects and will purchase hundreds of new buses for use throughout the state.

Intercity Passenger and High Speed Rail. ARRA included $8 billion for high speed and intercity passenger rail. The Federal Railroad Administration (FRA) just released guidance on June 17th for the States to use in preparing and submitting applications to compete for these funds. The States will have 45 days to submit applications and FRA intends to announce the first track of grant recipients within 45 days after the submission deadline.

The State departments of transportation have been working closely with FRA to develop the guidance, including working to help FRA coordinate regional workshops over the last month to ensure timely submissions for high speed and intercity rail funds.

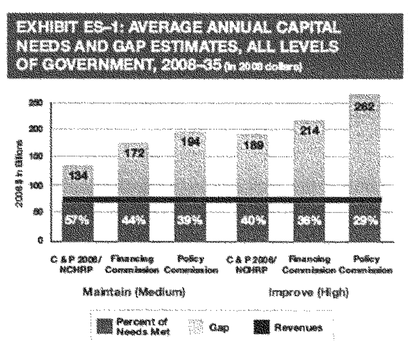
Over the last two fiscal years Congress has appropriated $120 million to the State departments of transportation to undertake intercity passenger rail capital projects. For the first $30 million made available in FY 2008, which required a 50% match, 22 states applied for 25 separate projects, and 12 states were awarded funding. In addition, fifteen states currently contract with Amtrak to cover the operating expenses of additional intercity passenger rail service, and other States are investing in stations, rail relocation, track improvements, signalization and grade crossing improvements.

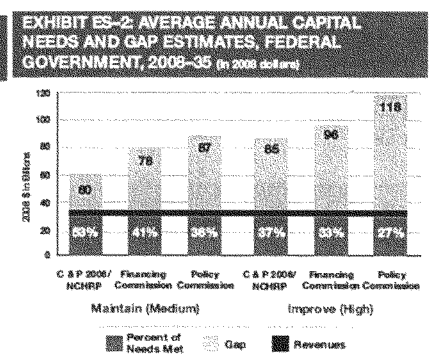
Therefore, state departments of transportation are well prepared to apply for the $8 billion rail economic recovery funds "ready to go" projects that have completed environmental and engineering work, and for preparing corridor projects to support the future development of high speed and intercity passenger rail.

The Backlog of Ready to Go Projects exceeds Available Resources

Mr. Chairman and Members of the Committee, AASHTO believes that it is worth repeating in our testimony that the dollars made available by the American Recovery and Reinvestment Act of 2009 are having a positive effect on our economies, and we appreciate the infusion of these dollars. However, we urge you recognize that the dollars are far less than we could have put to use in ready-to-go projects.

Several national studies have shown that the current funding levels provided through the Highway Trust Fund (**approximately $55 Billion/year**) are far short of what is needed to adequately support our transportation system. The funds received last year through the *American Reinvestment and Recovery Act (ARRA)* (**27.5 Billion**) provided a needed boost, but the combination of our regular funding through SAFETEA-LU and the ARRA funding (**a total of $84 Billion**) barely provided the funding necessary to support our transportation system in its existing condition. And even more money is needed to bring the system up to an acceptable level. The point I am making is that that the ARRA funding was a great first step, but we need at least that much more additional funding every year to provide the transportation system necessary to sustain our economy.





All levels of government are failing to keep pace with the demand for transportation investment. Increasingly, policy makers at all levels must use existing revenues to simply attempt to keep pace with the preservation and maintenance of an aging system, leaving few or no resources for vitally needed new capacity and improvement to the system.

The State departments of transportation have been working cooperatively with metropolitan and local officials to move rapidly to get economic recovery projects under construction and people back to work. To this end, the States have worked hand in hand with their Metropolitan Planning Organizations and local governments to identify ready-to-go projects geographically and strategically dispersed across their States to generate the maximum benefit in terms of jobs and the economy. Unfortunately, the backlog of ready to go projects is substantial, and there are many more projects ready to go than we have available economic recovery dollars. We certainly hear the criticism that no area is getting their fair share. We believe that this is clearly indicative of the substantial demand for additional highway and transit investments, and we certainly support and applaud your efforts to move quickly forward with the debate on the next surface transportation authorization bill.

Short Term Funding Issues

Moreover, we want to reiterate our concerns that Congress and the Administration recognize the importance of timely and adequate action on continued and stable funding for the federal highway and transit programs. We hope that the economic gains, job creation and preservation resulting from the Economic Recovery Act are not swept away by the bleak short term funding picture we face resulting from any or all of the following –

- A potential cash flow shortfall in the HTF sometime this summer;
- Imposition of the $8.7 billion rescission called for in the Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA LU); and/or
- Failure to generate sufficient resources to at least maintain current program funding levels in FY 2010.

Finally, Mr. Chairman and Members of the Committee, we especially want to commend the U.S. Department of Transportation for working in partnership with the States to efficiently and competently implement the provisions and requirements of the economic recovery act and to deliver on the promise of investing in long term capital assets and creating and sustaining good paying jobs.

Mr. Chairman and Members of the Committee, thank you for the opportunity to testify and share our good news. I will be happy to answer any questions you may have.

TESTIMONY OF

JOSEPH M. CASEY

GENERAL MANAGER
SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
PHILADELPHIA, PENNSYLVANIA

BEFORE THE

HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

ON

PUBLIC TRANSPORTATION'S ROLE IN ECONOMIC RECOVERY

****

JUNE 25, 2009

SUBMITTED BY

SEPTA

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Good morning Chairman Oberstar, Ranking Member Mica, and members of the House Transportation and Infrastructure Committee. Thank you for the opportunity to provide testimony concerning the benefits of the American Recovery and Reinvestment Act and investing in America's public transportation infrastructure.

I am here today representing both the American Public Transportation Association -an organization with 1,500 members throughout America that provided over 10.7 billion trips last year (the highest in 50 years); and the Southeastern Pennsylvania Transportation Authority (SEPTA), the sixth largest transit system in the country. Over 325 million trips were taken last year on the SEPTA's buses, trolleys, subways, paratransit and regional rail. Over the last three years, ridership has increased 12 percent and many of SEPTA's bus and rail lines are now operating at full capacity.

The new transit riders we gained because of high gas prices have continued to use transit this year. They understand the economic advantage of using public transportation and the positive impact transit usage has on environmental sustainability.

To meet this increased demand for service, SEPTA is working to modernize its infrastructure, parts of which date back to the late 1800s. The funding from the economic stimulus program for public transportation has been a great help toward advancing this goal. Your support of this additional funding to invest in transportation infrastructure is appreciated.

When the stimulus package was initially proposed, APTA surveyed the industry and more than 200 transit providers identified 787 projects worth $16 billion which were shovel-ready. Since passage of the legislation in February, the transit industry is off to a fast start with 58 percent of the federal funds obligated or awaiting FTA approval.

In anticipation of the stimulus bill, SEPTA identified $400 million of shovel ready projects. The Authority will receive $191 million under ARRA. These funds will be used to advance 32 projects to improve the transit infrastructure in our region. Projects range from the acquisition of 40 environmentally friendly hybrid buses, replacement of 90 year old subway track, rehabilitation of 5 bridges (the oldest of which dates back to 1905), modernization of 2 subway stations initially constructed in the 1920s including provisions to make both stations ADA accessible, and several other projects to improve service reliability and customer service.

These projects will immediately create jobs in the construction and manufacturing sectors. Mr. Chairman, the 40 hybrid buses will be built by New Flyer Industries in your home state of Minnesota. These buses are in addition to the 400 buses currently being built for SEPTA by New Flyer. Components for the new buses such as engines, transmission, and seats are manufactured across the country keeping factories open and workers employed.

Construction jobs are being created throughout our region as SEPTA selected projects to upgrade each mode of transit it operates (bus, subway, trolley and regional rail), and in all five southeastern Pennsylvania counties in which service is operated. We developed a comprehensive and wide range of construction contracts to provide job opportunities for both large and small contractors using a multitude of construction skills and trades. To ensure the participation of disadvantaged, minority and female contractors, SEPTA hosted a very successful seminar and networking session and bids to date have resulted in a Disadvantaged Business Enterprise (DBE) participation rate exceeding 14 percent.

SEPTA is proud of our program and the progress which has been achieved. Immediately after approval of the stimulus bill, SEPTA got the projects out to bid and has received very favorable bids. To date, SEPTA's bids are 17 percent under engineering estimates which enabled us to advance an additional 7 projects. In fewer than 4 months, SEPTA has awarded construction contracts for 22 projects representing more than 75 percent of the construction funds available. By December of this year, SEPTA will award 100 percent of its stimulus funded construction contracts.

SEPTA's largest stimulus funded projects include:

Broad Street Subway Stations

SEPTA is rehabilitating the Girard and Spring Garden Stations on the Broad Street Subway. These stations were originally constructed between 1924 and 1928. Both stations will be modernized with new wall, floor and ceiling finishes; energy efficient lighting; improved safety and communications systems and installation of ADA accessibility features.

Croydon Station Improvements

SEPTA is modernizing this station which is located on the Authority's Trenton regional rail line which is located on Amtrak's northeast corridor. The new station will replace a small shelter with modern passenger amenities including ADA accessible features. Most importantly, the project will expand parking by 135 spaces to address the increased ridership demand.

Media-Sharon Hill Improvements

SEPTA is replacing the 87 year old rail on these trolley lines While replacing the rail, SEPTA will improve 29 grade crossings, repair electric catenary structures, install a passenger communication network and upgrade passenger shelters and facilities.

While SEPTA's significant infrastructure needs demanded that all stimulus funds be used for capital purposes, I thank the Committee on behalf of APTA for allowing systems to use up to 10 percent of its ARRA formula funds for operating purposes to prevent layoffs, fare increases and service cuts.

The stimulus package has provided an important level of funding for infrastructure improvements and is a down payment towards meeting transit's unmet capital needs. Transit capital needs will require a long-term, predictable federal authorizing law that continues to address transit investment needs. I particularly want to highlight the needs of the old rail systems, including SEPTA.

At the direction of language appended to the FY 2008 Transportation-HUD appropriations bill and a letter signed by 12 Senators, the FTA conducted a study of the seven largest rail transit agencies in the nation which carry 80 percent of the nation's rail passengers and also operate 20 percent of buses and large numbers of paratransit vehicles. The study identified a need of $50 billion to bring those seven systems to a state of good repair and thereafter almost $6 billion in annual normal replacement costs.

The FTA study identified rail capital needs for SEPTA in excess of $4 billion. Our transit system has more than 400 bridges with 22 percent of the bridges older than a hundred years old. The regional rail system has over 150 passenger stations, and more than 75 stations require significant repairs or total replacement. The system which provides electrical power to operate the regional rail system has 16 of 19 power substations that are more than 75 years old.

Although SEPTA is currently acquiring 120 new regional rail cars over the next two years, SEPTA will still operate regional rail service with 240 rail cars which were acquired in 1976, at a time of the nation's bicentennial celebration. Although Philadelphia's historical significance and structures such as Independence Hall are vital to our nation's history, an older transit infrastructure must be modernized. A strong public transportation infrastructure and system are critical to boosting the economy, promoting energy independence, improving the environment, and providing mobility choices.

In closing, I commend the leadership and members of this committee for your vigorous support of public transportation and your recently announced authorization proposal. The proposed investment of $100 billion is essential to support the increased transit ridership and the cost of bringing capital assets to a state of good repair. Without a multi-year authorization bill, we will be hard pressed to preserve the momentum that the ARRA has so effectively created. We look forward to working with members of the Transportation and Infrastructure Committee in this process and stand ready to assist you in this effort.

If any one has questions I would be happy to answer them.

American Road & Transportation Builders Association

Testimony of

John Keating
President & Chief Operating Officer
OMG East
Oldcastle Materials Inc.

On Behalf of
The American Road & Transportation Builders Association

Hearing:
Recovery Act: 120-Day Progress Report For Transportation Programs

Submitted to
Committee on Transportation and Infrastructure
United States House of Representatives

June 25, 2009

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Recovery Act: 120-Day Progress Report
For Transportation Programs

House Committee on Transportation and Infrastructure
June 25, 2009

Chairman Oberstar, Ranking Member Mica and Members of the Committee:

Thank you for holding this hearing to assess the progress of the American Recovery and Reinvestment Act (ARRA) that was enacted four months ago. I am John Keating, President and Chief Operating Officer for Oldcastle Materials, Inc. East Region. I am here today representing the American Road and Transportation Builders Association (ARTBA). ARTBA and Oldcastle Materials applaud this committee's support for transportation programs in the Recovery Act and for your steadfast advocacy for continued significant infrastructure investment in this country's surface transportation network.

ARTBA is the oldest national transportation construction association. The Association is a federation whose primary goal is to aggressively grow and protect federal transportation infrastructure investment to meet the public and business demand for safe and efficient travel. ARTBA provides programs and services designed to give its more than 5,000 public and private sector members a global competitive edge.

Oldcastle Materials, Inc, an ARTBA member, is the leading vertically integrated supplier of asphalt, aggregates, ready-mix concrete and paving services in the United States. We are the largest asphalt producer, the third largest aggregates producer and the fifth largest ready-mix concrete producer in the country. Our federation of companies currently employs on average 20,000 people at more than 1,300 locations in the United States.

Oldcastle Materials' companies operate in 44 states using their local names: from APAC First Coast in Florida to Southern Minnesota Construction in Mankato, Minnesota. From the PJ Keating Company in Massachusetts, to the Staker &

Parson Companies in Utah, to Des Moines Asphalt in Iowa, we supply construction materials and pave roads to maintain and improve the quality of our nation's surface transportation system.

ARTBA Vice President of Economics & Research William Buechner, Ph.D., and my CEO, Doug Black, testified before the Committee last October on the crucial need for investment in our surface transportation infrastructure as part of an economic stimulus package. They testified the transportation construction industry was ready and able to provide the needed services, materials and workers to deliver the promised economic benefits of increased transportation investment. I want to take a few minutes to tell you how our industry is doing on fulfilling that commitment.

The American Recovery and Reinvestment Act

The ARRA provides $48 billion in transportation infrastructure investments: $27.5 billion for highways; $8.4 billion for public transportation; $9.3 billion for passenger rail; and $1.3 billion for airport infrastructure. As there are other panelists that will focus on the public transportation and aviation investments, I will focus primarily on the recovery act's highway investments. Of the bill's highway funds, roughly $18 billion is provided directly to states and half of these funds must be obligated in 120 days. The remaining $9 billion of state funds, and the $8 billion allocated to local governments must be obligated within one year of the bill's enactment. States and localities that do not meet these deadlines will have their funds redistributed to other states.

The recovery act establishes timelines significantly more aggressive than the traditional federal highway program to ensure the funds begin producing economic and job creation/preservation benefits as fast as possible.

How the Transportation Construction Industry is Responding

During the Recovery Act debate earlier this year, it was suggested infrastructure investment cannot be a short-term stimulus to the economy since projects take too long to get started and to complete. Dr. Buechner and Mr. Black disagreed with that assessment back in October. All infrastructure projects are not the same. Clearly, as important as they are, building new highways, bridges, light rail lines, runways, and sewer systems can take years to complete. On the other hand, most highway maintenance and repair projects can be advertised, bid, let and completed in a short period of time. This is particularly true of projects already existing that state and local governments have ready-to-go if funding were available.

The American Association of State Highway and Transportation Officials (AASHTO) has reported on several occasions there were, and still are, billions of dollars worth of ready-to-go projects which could be let within weeks of funding being available. Many of these projects can be bid, let and work started in very short order. Doug Black provided the Committee at that time with a number of examples from our company which showed this to be the case. As the recovery act has been implemented, many states have turned to their list of ready-to-go projects to get recovery act funds out the door quickly and projects underway. Many of these projects are and will be completed in a matter of days or a few months. As we promised, our industry has responded to the challenge and is indeed hiring workers and getting these projects done as we speak.

A great example of this response is a significant project Oldcastle's company in Maine was recently awarded. Last year, we completed rebuilding a section of I-295 in Maine, but only the southbound lanes. The Maine Department of Transportation (DOT) was not expecting to have the funds to complete the northbound section, but the recovery act's enactment enabled them to put the project out to bid. We won the $33 million project, mobilized our crews, and will complete the rubbelization of the old pavement and rebuilding 23 miles of the road with 320,000 tons of asphalt by early August, a total of 120 days. This stimulus funded project is supporting 345 jobs in Maine. But for the stimulus, this project would not have been completed this year.

Obligation of ARRA Funds for Highway Construction Projects

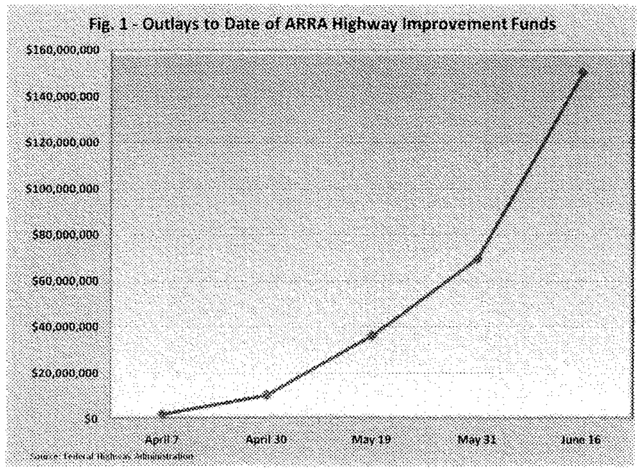
The economic data ARTBA regularly tracks indicate that the $27.5 billion of highway improvement funds in the ARRA are stimulating highway and bridge construction and supporting jobs throughout the American economy.

Let me start with the pace at which state and local transportation agencies have been obligating ARRA highway funds for construction projects. Twice each month, ARTBA issues a report tracking these funds by state and here are the major findings from our June 16 report:

As of June 16, $14.7 billion of the $26.8 billion that was apportioned among the states and U.S. territories has been obligated for highway, bridge or other construction projects authorized by ARRA. This means 55 percent of the total apportioned has been obligated within the first 3½ months. This is a far more rapid pace than occurs with regular highway program funds.

Every state plus the District of Columbia and four U.S. territories have obligated ARRA highway funds for highway or other eligible projects. Leading the pace is Utah where state and local transportation agencies have already obligated 93 percent of the state's ARRA funds, followed by Wyoming at 90 percent and Iowa at 85 percent. To date, eleven states have obligated at least 75 percent of their ARRA highway stimulus funds, and no state has obligated less than 30 percent.

The $14.7 billion obligated to date is about $5.4 billion more than the ARRA requires the states to obligate within 120 days of apportionment, which would make the deadline June 30, 2009. All but 2 states have by now obligated at least their 120-day target, so we anticipate that no state will have to turn back funds to FHWA when the June 30 deadline arrives.



All but seven states have made payments to contractors for construction work performed, with outlays through June 16 totaling $150.2 million. This is more than double the May 31 total of $69.3 million, indicating that construction work on ARRA-financed projects is increasing rapidly. Outlays are a lagging indicator of highway construction because the federal highway program operates on a reimbursement mode, so the June 16 number represents only a fraction of the amount of highway construction that is now underway with ARRA funds. We are getting into the prime highway construction season, so outlays should accelerate rapidly throughout the summer months.

Eleven states have obligated $96.8 million of ARRA highway funds for non-highway investments, including $51.3 million for transit and $45.5 million for freight, passenger rail or port infrastructure projects, as is allowed in the bill.

In the fiscal year 2010 Budget of the U.S. Government, the Administration projected that $20.6 billion of ARRA highway improvement funds would be obligated by the end of FY 2009, and with $14.7 billion obligated to date the FY total is likely to be that or more.

The pace of obligation is the only benchmark Congress set in the ARRA to track the use the highway stimulus funds by state and local transportation agencies. And by that indicator, they are performing very well.

But ARTBA tracks a number of other indicators that are also showing a positive impact from the ARRA highway stimulus funds.

New Contract Awards

The first is ARTBA's monthly report on the value of new contracts awarded in each state for highway and bridge construction projects. As Figure 2 shows, during each of the first four months of 2009, the value of new contract awards for highway and bridge projects was far below the same months of 2008 as the recession decimated the revenues used by state and local government to finance highway improvements. This is very likely what the whole year would have looked like without the ARRA highway funds. But there was a dramatic turnaround in May, when $6 billion of new projects were awarded compared to $5.2 billion in May 2008. This is exactly what we were hoping to see as state and local transportation agencies started letting and awarding ARRA-financed highway construction projects. Construction is now starting on these projects and they will be supporting thousands of jobs this construction season.

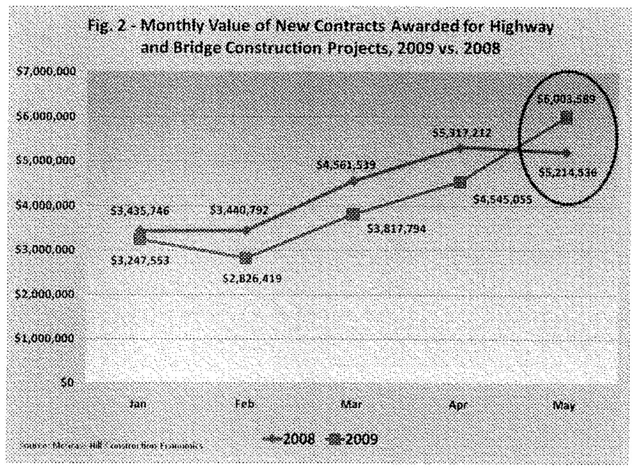


Fig. 2 - Monthly Value of New Contracts Awarded for Highway and Bridge Construction Projects, 2009 vs. 2008

In addition, we have seen a significant increase over the last 30-60 days in the job advertising/bid award process in many states. Work is really beginning to flow through the competitive process. We expect to see a continuing increase in the number of contracts awarded and significant work will be underway by the end of the summer. The latest projections from the Administration indicate that $5.5 billion will be paid to contractors by September 30.

Many states are reporting, and our industry is experiencing, a dramatically more competitive bid environment for these projects. As has been widely reported, the construction industry has one of the highest unemployment rates in the country and construction firms and materials suppliers are eager to bid and win work.

We have seen significantly more bidders generally and this has resulted in lower than anticipated contract award amounts, often lower than the DOT's estimated. This has saved our customers—and the taxpayer—significant amounts of money. Together with recent downward trends in energy related costs such as diesel, liquid asphalt and natural gas, state DOTs and others should be able to turn these savings into even more work being bid and awarded over time.

We are seeing many states responding by getting projects out the door more quickly than normal. This is reflected in the new contracts award data I mentioned above. For example in Alabama, the state normally has a completion date target for road projects and the contractor has flexibility when to start. The Alabama DOT is letting all of their stimulus projects in one of two ways: they are either ten-day quick awards with a 15 day start; or a 30-day award with a 45-day start. There will be no delayed start times and the projects must be completed within the allotted time with no exceptions. This process is getting projects underway sooner and people back to work.

Employment

One of the significant goals of the Recovery Act was to create and save jobs. This was the Administration's stated objective. Quantifying job creation is challenging, but it appears thus far that the most significant impact of the Recovery Act on our industry is that these stimulus funds and the work generated have allowed many companies in our industry to discontinue the layoffs projected. This represents a significant "job saving" impact.

As Figure 3 shows, employment by highway and bridge construction contractors deteriorated throughout 2008. Highway construction is a seasonal industry where there is a natural increase in the number of jobs during the spring and summer months and a decline

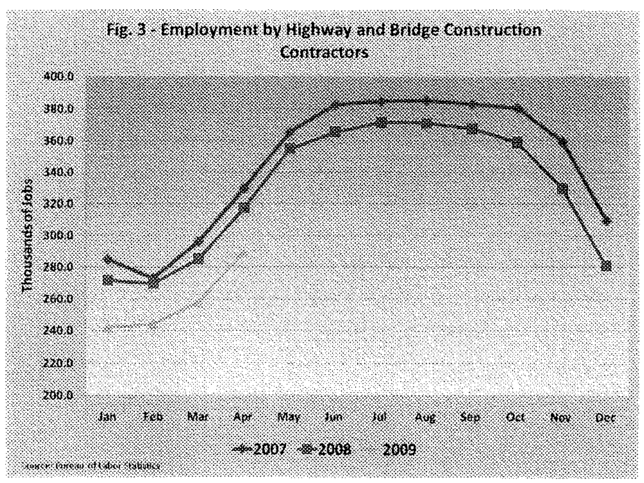
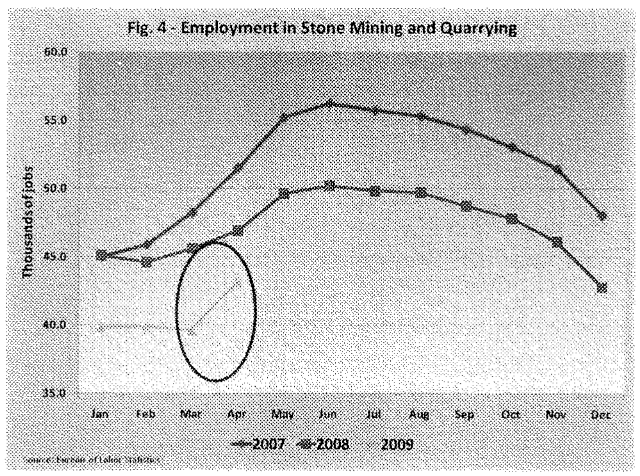


Fig. 3 - Employment by Highway and Bridge Construction Contractors

throughout the autumn and winter as the construction season comes to an end in the northern and middle states. Each month during 2008, we saw a larger and larger gap compared to the number employed during the same months of 2007 as the recession and high materials costs took their toll on the ability of state and local governments to finance highway construction. By the end of 2008, there were almost 30,000 fewer jobs in highway construction than at the end of 2007. So far this year, employment is showing its normal seasonal growth but the number of jobs is still about 30,000 less than last year. We only have job data through April and, as the previous chart shows, that is before state and local transportation agencies started letting and awarding a significant number of contracts for highway construction projects. As ARRA projects get underway, the jobs lost in 2008 should be restored and new jobs created.



We are also seeing some encouraging signs of job growth in our quarries that produce crushed stone. Crushed stone is the primary material used in highway construction projects, and 30 percent of the output of this industry goes into highway construction. As Figure 4 shows, this industry is also seasonal but about two or three months ahead of highway construction because the quarry industry has to have the crushed stone on hand when it is needed by highway construction projects. As the chart shows, this industry lost jobs in 2008 but what is encouraging is that the job growth in April was stronger than normal. This is just what would be expected in an industry that has to gear up its own production before the construction projects get underway. This is probably happening in other industries that provide materials and services used in highway and bridge construction projects.

Doug Black testified in October that our production volumes were down significantly in 2007 and 2008. That downward trend continues in 2009. Employment in our industry is down significantly over those two years as well. Oldcastle Materials' employment was down 10 percent in 2007, 10 percent in

2008 and our early year projections for 2009 indicated a continuing decline of 15 percent this year. Our business is very seasonal, particularly in a number of colder climate states where the construction season is relatively short. We routinely increase employment and operations leading up to and through the construction season in the spring, summer and fall, and then reduce employment and operations as colder weather approaches. In 2007, 2008, and early this year, we simply did not bring back as many paving crews, quarry and plant operators, drivers, mechanics, dispatchers, sales people and administrative personnel as we normally do during the spring leading up to the construction season. Our employment and product volume declines reflect this.

Enactment of the recovery act, however, has positively impacted our industry and Oldcastle. Many of our companies report they have won stimulus contracts which will allow them to stem the projected decline in employment. For example, our company in Michigan was projecting having only 13 crews working this year (down from 18), but with the stimulus projects they have won the number of crews will increase to 15 or 16 in 2009. And Oldcastle's company in West Virginia has seen the stimulus impact offset reductions in other state and local spending to help preserve what could have been a 30 percent employment decline this year. Our product volumes should be similarly affected as the year progresses and more projects are awarded and get underway. What we are seeing in many states, however, is a significant overall decline in the amount of work they have available and that stimulus funding is offsetting this to some extent. We are certainly hopeful that states will continue to bid work in addition to stimulus projects during the rest of this year. The bottom line is the recovery act projects are allowing our company and the industry to save jobs.

Pike Industries, our company in Maine, New Hampshire and Vermont, has a very positive story to tell. The states in Pike's area have been particularly effective in getting work out to bid and Pike has been fortunate to win some of this work. To date Pike has been awarded $105 million in projects in its three states. Much of this work is underway or will begin soon. After Pike won some early jobs in New Hampshire, they held a job fair in Concord, N.H., advertising up to 50 jobs. Of the over 400 people who showed up, many were out of work construction workers from all over New England. Pike filled those positions and is expecting its stimulus work in all three states to allow it to save or create as many as 250 jobs. Out of a total workforce of 1,200, this 25 percent swing in employment makes a difference.

ARTBA members in virtually every state report similar experiences that we anticipate will be even more robust as more of the recovery bill's funds make it into the pipeline. The state of Ohio has awarded 36 contracts to 16 firms, all of whom have preserved jobs as a result, and one Ohio firm reports it has added jobs due to stimulus project. Approximately 50 ARTBA members in Alabama report adding jobs thanks to the recovery act. Austin Bridge and Road, in Irving, Texas, was awarded one recovery act project for $31 million that will support 60 jobs—this project and its benefits have been highlighted by Transportation Secretary LaHood. These are just some of the real world success stories of the ARRA's transportation investments.

The recovery act certainly brings a welcome infusion of investment in our country's infrastructure, but it is only a small down payment on the investment needed long-term. The Recovery Act was intended to be a short-term infusion of investment, but by no means a long-term solution.

Future Challenges

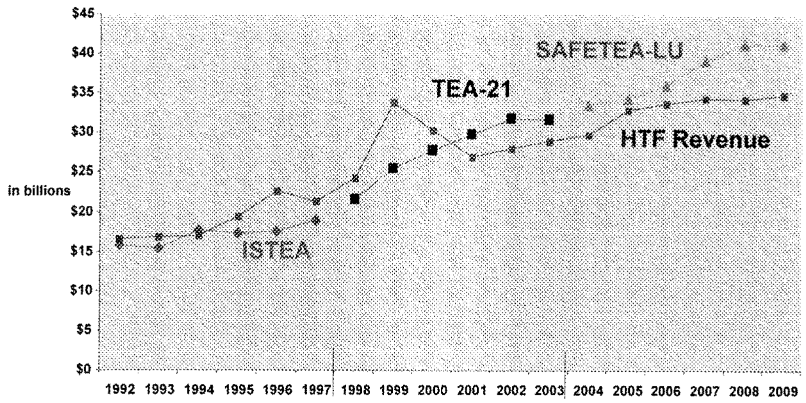
One of the biggest challenges our industry faces is uncertainty related to the availability of funding for road and highway projects. The looming Highway Trust Fund (HTF) Highway Account revenue shortfall has caused a significant level of uncertainty among state DOTs and local governments. In an environment where those entities have federal highway funding commitments jeopardized, many simply choose to suspend, postpone or altogether cancel expected construction and maintenance projects leading to corresponding job losses.

We faced this situation last September with a projected shortfall in HTF revenue. The Congress wisely passed an HTF fix which infused $8 billion from the general fund to prevent the HTF from running out of money. Unfortunately, it appears we will face a similar situation this year with recent projections showing a $5-7 billion infusion will be needed by August.

More importantly is the urgent need to pass a robustly funded multi-year surface transportation authorization bill. The current program, authorized under SAFETEA LU, expires September 30. The next program must address short and long-term revenue needs for surface transportation infrastructure investment in this country. To that end, we commend Chairman Oberstar, Rep. Mica, Chairman DeFazio, and Rep. Duncan for the comprehensive reauthorization blueprint that was unveiled last week.

It's not difficult to understand how we got to where we are currently with the HTF. In recent years, HTF revenues have been held constant, while spending from the trust fund has increased. The result of this unsustainable financing path has been a liquidation of the trust fund's existing balance and revenue shortfalls in 2008 and 2009. Figure 5 illustrates this financing pattern cannot continue in the next highway authorization legislation.

Fig. 5 – Federal Highway Funding



Source: ARTBA and Federal Highway Administration

Potential Impact of an 18-Month Extension of SAFETEA-LU

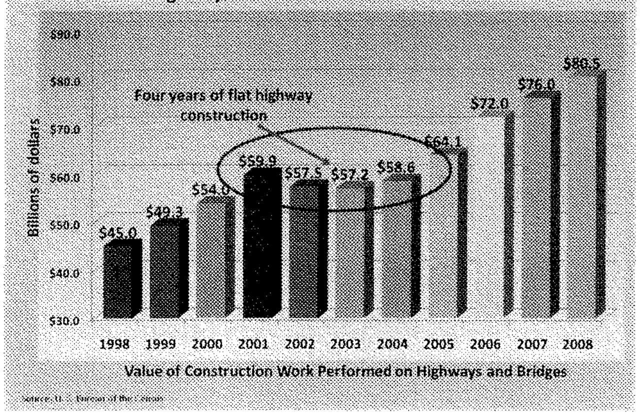
Secretary of Transportation LaHood has recommended Congress extend the current highway and public transportation program's authorization for 18 months rather than enact a full six-year measure. To illustrate why ARTBA and Oldcastle Materials oppose this and vigorously support enactment of a six-year authorization, let me show what happened to the nation's investment in transportation improvements the last time a surface transportation authorization bill was substantially delayed.

TEA-21 expired in September 2003. At that time, the nation's economy was still recovering from the recession that ran from March through November 2001. That was a relatively mild recession, but it still devastated the budgets of state governments, many of which diverted funds from their state highway programs into their general fund budget to meet state balanced budget requirements and finance other programs. Even though it was clear at the time the nation was seriously under investing in transportation infrastructure and that a modest increase in the federal motor fuel tax would allow a level of federal investment in highways and mass transit sufficient to meet our transportation needs, TEA-21 was extended thirteen separate times. The new surface transportation bill was not enacted until August 2005, almost two years after TEA-21 expired.

This hiatus between the expiration of TEA-21 and enactment of SAFETEA-LU severely disrupted the ability of state and local transportation agencies to plan and implement highway, bridge and transit construction projects. The problems involved both uncertainty about the level of funding for the highway and mass transit programs for FY 2004 and FY 2005 and the fact that federal highway and transit funds were distributed piecemeal to state and local governments throughout that period.

There is no question that the combination of recession and funding uncertainty disrupted transportation investment. As Figure 6 shows, the value of construction work put in place on highway and bridge projects stagnated for four years while state and local transportation agencies were trying to deal with these impediments. Not until 2005, when Congress enacted SAFETEA-LU, did investment in the nation's highways and bridges start to grow again.

Fig. 6 - TEA-21 Extensions and Recession Depressed Highway Construction from 2001 to 2004



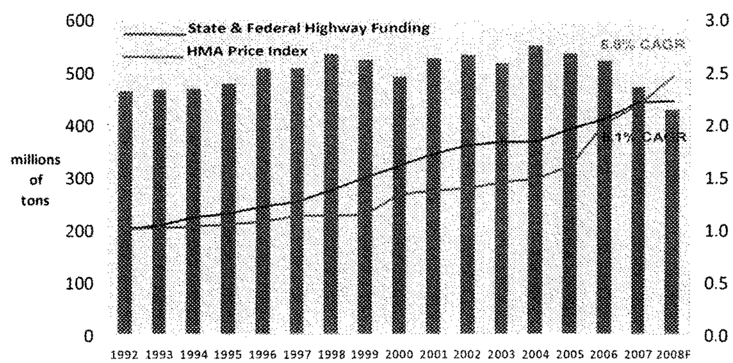
Today, the same thing is happening. SAFETEA-LU is set to expire in three months, a recession is once again battering the budgets of state and local governments, and the administration has called for a reauthorization delay.

Earlier this year, Congress provided $27.5 billion in the American Recovery and Reinvestment Act to stimulate job saving and creation while improving our nation's infrastructure through highway and bridge construction projects. That investment will support more than 765,000 job years spread out over the lifetime of the construction projects. As Figure 6 shows, an 18-month extension of SAFETEA-LU puts those jobs in jeopardy. Enactment of a six-year bill, funded at the level proposed by Reps. Oberstar and Mica, would build on the success of the ARRA program and continue to add new jobs throughout the six-year period.

In addition to the federal financing pattern set out above, increasing highway construction and materials costs are exacerbating this already challenging funding environment. These increased costs are leading directly to a slow-down of work in many states and consequently to a significant decrease in Oldcastle

Materials' backlog of work. The recent pause in inflation for construction materials that is stretching recovery act investments helps, but this will not solve the long-term issue since construction costs will continue to inflate long-term. Federal surface transportation investment has simply not kept up with rising costs and, as a consequence, a road dollar that recently paved one mile of road will only pave ¾ of a mile today. This can be illustrated if we look at recent trends in the asphalt market compared to road and highway funding. Figure 7 illuminates the problem.

Fig. 7 - Tons of Hot Mix Asphalt Produced in USA with Indexed Price & Funding



Source: NAPA and ARTBA (2008 HMA tons estimated)

The tonnage of asphalt produced in the United States (the blue bar graph) declined from a high of 550 million tons in 2004 to 470 million tons in 2007. The decline continued in 2008 and will likely continue in 2009 as well, under current state and federal funding programs. Recall that about 94 percent of all paved roads in the U.S. are paved with asphalt and you can see a precipitous and dangerous decline in pavement conditions, new pavements laid, and the general maintenance of our roads and highways. The recovery act will likely offset this expected decline somewhat, but if the longer term financing issue isn't addressed in the next authorization bill, the decline will continue.

The bottom line is the transportation construction industry is shrinking at a time when our nation's infrastructure needs are growing. Jobs in the United States today are issue number one. The recovery act will help stop the decline in the short-term, but we must have a long-term fix. What happens when the ARRA funding is depleted next year? I cannot think of a better way to add jobs, good paying American jobs, than to robustly invest in infrastructure. Projects like the ones we do in our company are the core of the economic pyramid. We support economic activity upstream and down. We quarry aggregates, produce asphalt and ready-mix concrete, purchase and lease equipment and vehicles, engage drivers and operators, buy safety and related equipment and services, and employ thousands of workers, dispatchers, administrative personnel, safety experts, sales people, estimators and finance and accounting professionals. We buy cement, liquid asphalt, fuel, electricity, equipment parts and service and all manner of materials used in the production of our products and providing our paving and construction services. We provide stone, concrete and asphalt paving materials to other local paving and construction contractors as well.

Our work supports American jobs. The people we employ are local; they live and do their work locally in the areas where infrastructure investment money is spent. The companies that we do business with: customers, vendors, suppliers and service providers are mostly local businesses hired by our local companies. The money that flows through us to our employees and these local companies is spent directly in the local economy on home mortgages, food, clothes, capital goods, etc.

Conclusion

The recovery act is having a positive impact on the transportation construction industry and that should continue as the year progresses. Funding provided under the Act is a near-term boost to job creation and preservation. The state DOTs and our industry are doing their part to deliver the promised results, however this does not address longer term issues. Our surface transportation system is in dire need of significant long-term investment to maintain and preserve the existing system as well as expand its capacity as our nation strives to compete in an increasingly global economy. This investment will support significant local jobs, generate economic activity and stimulate local economies while preserving our infrastructure and strengthening the long-term competitiveness of our nation. We look forward to continuing to work with this committee to capitalize on the potential for transportation infrastructure investment to help achieve the nation's short and long-term economic goals.

Thank you for allowing me to present ARTBA and Oldcastle Materials' report on progress under the recovery act and our views on the importance of investment in transportation infrastructure.

Question Submitted in Writing by Congressman Michael Michaud
For Mr. John Keating
President & Chief Operating Officer, OMG East, Oldcastle Materials, Inc.
House Committee on Transportation and Infrastructure
Hearing on "Recovery Act: 120 Day Progress Report for Transportation Programs"
June 25, 2009

Mr. Keating, your testimony outlines how your company has successfully used Recovery Act funds to rebuild roads in Maine, creating jobs and economic activity. Yesterday, the Highways and Transit Subcommittee marked up the Surface Transportation Authorization Act of 2009, sending the bill to the full Transportation and Infrastructure Committee. The administration has recommended only an 18 month extension of highway and transit programs. What will be the impacts on your capital investment plan of delay in the passage of a long-term highway and transit bill?

Response of Mr. John Keating

Thank you Representative Michaud. In essence, an 18 month horizon is far too short to impact any real strategic or investment decisions. Companies like ours are always evaluating plant and equipment replacements, plant expansions and technological enhancements. Typically, these types of capital investments require a minimum payback period of five years. As a result, we would need to have a long term view of what our forecasted business activity looks like in order to plan and justify that such an investment would be prudent. A five - six year highway transportation bill would enable us to develop such a long term forecast. An 18 month extension would simply stymie any capital investment options we might want to consider because it does not allow us to forecast and project far enough into the future.

STATEMENT OF

JEFFREY F. PANIATI, ACTING DEPUTY ADMINISTRATOR
FEDERAL HIGHWAY ADMINISTRATION

BEFORE THE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
UNITED STATES HOUSE OF REPRESENTATIVES

HEARING ON PROGRESS IN IMPLEMENTING
THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

JUNE 25, 2009

Jeffrey F. Paniati
Acting Deputy Administrator
Federal Highway Administration
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202-366-0650

**STATEMENT OF
JEFFREY F. PANIATI, ACTING DEPUTY ADMINISTRATOR
FEDERAL HIGHWAY ADMINISTRATION
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COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
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JUNE 25, 2009

Chairman Oberstar, Ranking Member Mica, and Members of the Committee, thank you for the invitation to appear before you today to discuss the Federal Highway Administration's (FHWA) progress in implementing the American Recovery and Reinvestment Act of 2009 (Recovery Act). Through the efficient implementation of Recovery Act projects, FHWA plays a key role in creating jobs, putting people back to work, and keeping families from home foreclosure. Today, I want to share with you FHWA's Recovery Act accomplishments to date and our current and planned implementation activities.

Signed into law by President Obama on February 17, 2009, the Recovery Act is an extraordinary response to a crisis unlike any since the Great Depression. The Act is an unprecedented effort to jumpstart our economy, create or save millions of jobs, and put a down payment on addressing long neglected challenges so our country can thrive in the 21st century. The Recovery Act has energized working people and companies of all sizes and is a lifeline for Americans who work in construction and have been especially hard hit by the recession. Overall, the Administration estimates that the highway portion alone of the Recovery Act will eventually create or sustain close to 300,000 jobs by 2012.

OVERVIEW

Even before the Recovery Act became law, the Department of Transportation (DOT) developed an implementation strategy to ensure that the Department would be prepared to carry out its elements of the legislation as quickly and effectively as possible. Staff from FHWA joined an intermodal team of experts from a variety of disciplines (policy, legal, financial, and information technology), assembled by DOT Secretary Ray LaHood, to anticipate the requirements in the pending legislation. This team—called the Transportation Investment Generating Economic Recovery, or TIGER, Team—was tasked with coordinating and overseeing the Department's responsibilities. The outstanding work of the TIGER Team continues to be instrumental in keeping DOT's Recovery Act implementation on track.

In the four months since this hallmark legislation was enacted, FHWA has worked diligently with the TIGER Team and internally to ensure that the agency, with our many partners and stakeholders, was ready to advance the Recovery Act projects that will put Americans back to work by making needed investments in America's infrastructure.

FHWA also continues to coordinate with the TIGER Team as we implement the requirements of the Recovery Act.

On March 3, 2009, President Obama and Vice President Biden joined Secretary LaHood at DOT to announce that nearly $26.7 billion was available to the States for highway investment. Within hours of the President's announcement, States began approving projects—in full compliance with all Federal laws and regulations.

Just six weeks after approving the first project, the President and Vice President returned to DOT on April 13 to celebrate the 2000th transportation project approved for funding—rebuilding a $68 million interchange on I-94 in Portage, Michigan. Construction has now started on this project, which the State expects will create 900 jobs this summer, increase safety, and reduce congestion along one of Michigan's most important freight corridors. Of the first 2,000 transportation projects approved for funding, 1,860 were FHWA-funded projects.

FHWA continues its success in ensuring quick approval of funding for projects that meet applicable Federal requirements. As of June 22, FHWA Division Offices have authorized 4,836 projects in all 50 States, the District of Columbia, Puerto Rico, and the territories for a total of $15.4 billion obligated. This represents 58 percent of total funds available. We are working diligently to ensure that the funds for these projects continue to be distributed quickly, wisely, and with unprecedented transparency and accountability.

Under the Recovery Act, 50 percent of the funds apportioned to a State (excluding funds sub-allocated within the State) must be obligated under a project agreement before June 30, 2009. Any portion of the 50 percent of funds that is not obligated will be withdrawn and redistributed. I am pleased to report that we expect all States to meet the target by the 120-day deadline on June 29, which happens to be the 53rd anniversary of the Interstate system.

During the second 100 days of the Recovery Act, we are committed to ensuring that shovels are in the ground for 1,500 additional highway projects. As of June 19, there are 1,520 highway projects under construction in 45 States, the District of Columbia, and Central Federal Lands using $5.67 billion in Recovery Act funds. As each project is approved and construction begins, we are seeing a spirit of communication and partnership among FHWA, States, Metropolitan Planning Organizations (MPOs), local governments, and the transportation industry, and this money is having its intended effect. The Recovery Act is working for America, and more Americans are now working on the road to recovery. It is proof of our ability to put government to work for people, and to put people to work.

For example, groundbreaking occurred on the Sepulveda Pass Project in Los Angeles, California in May. This project will add a high occupancy vehicle lane on San Diego Freeway (I-405) from Santa Monica Freeway (I-10) to Ventura Freeway (US 101). This is the largest Recovery Act project in California, and, based on dollars, it is currently the largest highway project funded by the Recovery Act in the Nation. When completed, the State estimates this project will have created or supported nearly 18,000 jobs. Approximately $189.9 million in Recovery Act funding will supplement $760 million from other sources to help reduce congestion along one of the most clogged transportation arteries in America.

In March, work started on a project in Portland, Maine to repair and provide structural upgrades for 24 miles of I-295 north of Portland. At $37.4 million, this is the largest Recovery Act project in Maine and was among the first projects in the Nation to begin. The State expects that this project will create or support 840 jobs.

A $64.2 million Recovery Act-funded project has 60 workers currently widening K-61, the major route between McPherson and Hutchinson, Kansas, from two to four lanes. The contractor expects to hire an additional 60 workers before project completion in 2012.

Secretary LaHood recently joined Vice President Biden on his "Road to Recovery" tour and visited a $1.7 million replacement bridge project in Carlisle, Pennsylvania that is being financed exclusively with Recovery Act funds. The project manager credits the stimulus for kick-starting his company's work force expansion.

These are just a few examples of how, across the country, Recovery Act dollars are being directed toward needed investments in our people and in our infrastructure. Every new project we obligate is a signal for States to advertise contracts, and for contractors to begin hiring workers and ordering materials like steel, asphalt, and concrete. We are making investments in projects that will save lives. We are making investments to help our highway system operate more efficiently and effectively, while moving the people and goods we need to keep the economy healthy.

FEDERAL AND TRIBAL LANDS

In addition to advancing Federal-aid projects across the country, FHWA is also distributing $550 million for roads on Federal and tribal lands. The funding is creating jobs by improving access to our national treasures including national parks, forests, and refuges. For instance, we have advanced shovel-ready projects such as the reconstruction of the Going-to-the-Sun Road in Montana's Glacier National Park; the rehabilitation and resurfacing of 18 miles of roadways within Noxubee National Wildlife Refuge in Mississippi; the rehabilitation of 5 miles of roadways within Yosemite National Park in California; the rehabilitation of 15 miles of North Umpqua Forest Highway 47 in southern Oregon; and the rehabilitation of Ohio Drive, Madison Drive, Rock Creek Parkway, and Potomac Parkway in Washington, D.C. These areas attract domestic and international visitors as well as provide recreational opportunities for residents of the local communities. The Recovery Act funds are now providing the vital transportation access that will promote visitation for years to come while benefitting hard-working Americans now in rural areas where jobs have been lost.

Not only is FHWA providing access to our parks, forests, and refuges, we are also administering Recovery Act funds dedicated to the Indian Reservation Road Program. These roads provide the critical links between tribal residences and vital community services such as schools and health care facilities. These transportation improvements are needed to enhance livability within Indian country. We have heard from our tribal partners that the transportation and construction industries are some of the largest employers on reservations. In early June, the first Recovery Act funds for a tribal road construction project were provided to the Ramah Navajo Chapter in New Mexico. Since that time, Recovery Act construction funds have been provided to additional Tribes, and we continue to work diligently with the Tribes and the Bureau of Indian Affairs (BIA) to advance these projects.

To date, FHWA has obligated about $80 million to support road projects on Federal and tribal lands, and we continue to work with our Federal and tribal partners to get these funds on the ground and get Americans back to work.

ON THE JOB TRAINING

Putting people to work includes giving people the job skills our highway system needs. We are close to providing the first $6.7 million of the Recovery Act "On the Job" training (OJT) grants to States and $1.5 million to the BIA. We also are actively working on reviewing applications for the remainder of the Recovery Act OJT grants and plan to award the remaining funds by fall. These grants will be used for activities to supplement Federal training programs and to support the training programs of State Departments of Transportation (State DOTs) for highway construction contractors, apprentices and trainees. The OJT program encourages completion of training programs and promotes training opportunities for minorities and women in skilled and semi-skilled crafts. The grants will fund apprenticeships and training centers for underrepresented or disadvantaged workers seeking careers in transportation, engineering or construction. For instance, Virginia's Wounded Veteran's Internship program, which started in 2006, helps wounded active-duty military personnel train to keep job skills sharp, or develop new ones, while they recuperate.

ECONOMICALLY DISTRESSED AREAS

The Recovery Act requires the States to give priority to projects located in Economically Distressed Areas (EDAs). The FHWA has oversight responsibility to ensure that the States fulfill this requirement. In order to assist the States, FHWA has provided various forms of technical assistance, including a diagnostic self-assessment tool that utilizes geographic information system mapping technology to identify EDAs using information on per capita income and unemployment rates at the county level. FHWA Division Administrators have worked closely with their State counterparts to assess which areas within each State meet the definition of EDA. The Divisions and States reviewed the number of projects and share of Recovery Act dollars slated to be spent in these areas. Based on this collaboration, a number of States reallocated projects and dollars to emphasize the focus on these areas. Our Division Offices continue their efforts to ensure that States are giving priority to EDAs in the selection of projects.

TRANSPARENCY, ACCOUNTABILITY, AND RISK MANAGEMENT

With over half of the FHWA-administered Recovery Act funds obligated, the agency continues to focus on reporting and management of the risks associated with such a large investment of dollars in transportation. It is not only important to get the money out quickly—we must get it out in the right way. The public needs to know what their money is buying, and FHWA has moved forward aggressively to fulfill the President's commitment to transparency and accountability for Recovery Act funds. Our Recovery Act progress is on the front page of our website, updated every day, and we are providing detailed reports through Recovery.gov.

Even before the Recovery Act was enacted, the agency realized that delivery of Recovery Act projects would not be business as usual. While FHWA was fortunate in having established programs, procedures, and partners for handling the Recovery Act funds, we recognized that there were additional risks associated with the sudden increase in funds coupled with the tight timelines the Act imposed for getting funds in the hands of recipients. Accordingly, we developed a risk analysis and risk mitigation plan associated with the Recovery Act funding. With assistance from the Office of Management and Budget, the Office of Inspector General, and the Government Accountability Office, FHWA studied the risks associated with the Recovery Act, and we are taking precautions. We finalized a National Risk Management Plan in April to guide our oversight of these funds and to ensure that they are spent appropriately.

Many of the risks we identified are associated with the contract and construction phase of a project. There are inherent risks in rushing to push projects out the door. Credible estimates of cost and schedule and timely adjustment of obligated amounts are important. Bid, contract negotiation, and change order procedures must remain within Federal guidelines. We are also watchful about construction and materials quality assurance as an area for potential waste and fraud. Additionally, we must ensure that Recovery Act funds are used for their intended purposes. We also identified risks in meeting disadvantaged business enterprise goals and some added risk in ensuring that costs and billing were eligible and free from fraud, waste, and abuse. Local agency oversight due to lack of experience by local public agencies in handling Federal-aid projects is another risk area FHWA identified and is addressing.

The FHWA is implementing eight risk mitigation strategies: Resource Enhancement; Communication and Education; Sharing Risk with Partners; Division Office Oversight; National Oversight; Measure, Monitor, and Review; Information and Tool Development; and Reassessment and Feedback. These strategies are cross-cutting and respond to the identified risks by enhancing staff capabilities, providing guidance and information, and ensuring oversight. We are actively employing these strategies at the local, State, and National levels.

For example, FHWA's communication and education efforts are extensive. First, we communicated with our Division Office staff in a set of weekly, then bi-monthly, and now monthly video conferences coupled with a website that includes a series of questions and answers as guidance to field staff. Within two weeks of the Act's passage, we issued detailed guidance explaining how the funds were to be administered. We have also held a series of teleconferences, and web and video conferences with stakeholders, including State DOT Chief Executive Officers (CEOs), local agency Directors of Public Works, County Engineers, and tribal leaders and their transportation personnel. We have supplemented these national efforts through numerous training sessions sponsored, in part, by FHWA Division Offices where our primary purpose was to help State and local officials understand Recovery Act requirements and find ways to streamline the processes while still meeting legal requirements.

As another risk mitigation strategy, FHWA has required each Division Office to develop its own Recovery Act risk management strategy, which includes an active program of highly visible, frequent "spot checks" on five of the key national risks. Often conducted on construction sites, the purpose of these spot checks is to ensure proper procedures are followed.

While we are depending on our 52 Division Offices to carry out these spot checks on the front lines of our risk management, FHWA has also established 3 National Review Teams to carry out more in-depth reviews in our identified risk areas across all 50 States. By the end of the year, we expect these teams to have visited all 50 States and carried out more than 80 reviews, which will lead to reduced risks and increased accountability.

The agency is also monitoring progress and risks by analyzing data we receive from States, coupled with information obtained from our National Review Teams, to identify trends or problem areas and make swift real-time corrections as needed.

As we move forward with Recovery Act implementation, we will continue to employ these risk mitigation strategies to fulfill our mandate that these funds are spent prudently.

CERTIFICATIONS AND REPORTING REQUIREMENTS

The Recovery Act includes a number of certification and reporting requirements that apply to highway infrastructure investments. These include section 1201 maintenance of effort (MOE) certification and reporting, section 1511 certification, section 1512 reporting, and section 1609 reporting requirements. FHWA has worked proactively in each of these areas to ensure that States have the guidance they need to comply with the requirements, and that we process these submissions efficiently.

Implementation of the section 1201 MOE provision has presented some challenges. The provision establishes a process through which States verify that Recovery Act funds supplement, not supplant, planned State expenditures. While all States and territories met the statutory filing deadline of March 18 for their certification of planned State expenditures, our review of the MOE certifications revealed substantial variations in how States calculated their certified amounts. As a result, FHWA worked with other DOT modal administrations and the Office of the Secretary to provide additional guidance and technical assistance to States so that they could file amended MOE certifications if appropriate. As an additional oversight step, FHWA Division Administrators are meeting with their respective States to review the calculation methodology used by the State for the highway infrastructure portion of the MOE certification. In those meetings, they also will discuss how the State prepared the first MOE reports of actual State expenditures. These steps will help to ensure that there is a "level playing field" when it is time to measure MOE performance and determine which States may participate in the August 2011 redistribution of obligation authority.

Section 1511 of the Recovery Act requires submittal to the Secretary of a certification by the Governor, mayor, or other CEO of State or local government, stating that the infrastructure investment has received the full vetting and review required by law, and accepting responsibility that the investment is an appropriate use of taxpayer dollars. The certification also must include certain specific information on the investment, including the project description, estimated total cost, and amount of Recovery Act funds to be used. The 1511 certification must be posted online before Recovery Act funding may be obligated to the project. I am pleased to say that FHWA has been successful in rapidly reviewing for sufficiency and posting online the 1511 certifications so that highway infrastructure projects can move forward quickly.

As part of the transparency requirements of the Recovery Act, both section 1201 and section 1512 call for recipients to submit information on funded projects, including progress on the project and economic effects such as job creation. Even before final passage of the Recovery Act, FHWA moved forward with the development of an electronic system to facilitate compliance with the expected reporting requirements. The FHWA system uses existing data sources to fulfill Recovery Act data needs to the extent possible, which helps to streamline the reporting process. The agency held a number of outreach sessions for its partners to assist them in using the reporting system. In addition, FHWA has assisted its recipients in data quality assurance efforts. All of these actions enabled FHWA to begin providing Recovery Act data not long after implementation.

To ensure that projects meet the goals of both the National Environmental Policy Act (NEPA) and the Recovery Act, section 1609 requires that the President periodically report on the NEPA status and progress of Recovery Act-funded projects and activities. This is a significant undertaking for highway infrastructure projects because of the number of projects. The FHWA is working closely with its State partners and the President's Council on Environmental Quality, which is overseeing section 1609 reporting, to fulfill this requirement. The FHWA's first section 1609 report on April 9 provided information on over 3,000 projects, with approximately 2,500 Federal environmental approvals completed. The second report dated April 30 addressed over 4,000 projects, with approvals completed on more than 3,000 projects. This reporting demonstrates the cooperative partnership FHWA has with State DOTs as well as with our Federal partners.

CONCLUSION

I am mindful of the importance of ensuring the successful deployment of highway dollars under the Recovery Act. Recovery Act implementation will remain a top priority at FHWA, and we will work diligently to ensure that these funds continue to be used as quickly and effectively as possible. We look forward to continued work with you and your staff to improve delivery of the Recovery Act funds to get America's economy moving again.

Mr. Chairman, thank you for the opportunity to appear before you today. I would be happy to answer your questions.

Testimony of Bradley D. Penrod,
Executive Director and Chief Executive Officer
Allegheny County Airport Authority
Pittsburgh International Airport
And
Allegheny County Airport
Member, Airports Council International-North America

before the

House Committee on Transportation and Infrastructure

"Recovery Act: 120-Day Progress Report for Transportation Programs"

June 25, 2009

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Chairman Oberstar, Ranking Member Mica, members and staff of the House Transportation and Infrastructure Committee, thank you for allowing me to participate in this important hearing. My name is Bradley Penrod, and I am Executive Director and CEO of the Allegheny County Airport Authority. I run the Pittsburgh International Airport which serves 8.7 million total passengers a year, and the Allegheny County Airport, a general aviation airport which also acts as a reliever for Pittsburgh International. And I'd like to recognize Congressman Jason Altmire, a member of this Committee, and a strong supporter of our efforts.

I am here today representing the Airports Council International-North America (ACI-NA), of which I am a member. Our 347 member airports enplane more than 95 percent of the domestic and virtually all of the international airline passenger and cargo traffic in North America. Nearly 400 aviation-related businesses are also members of ACI-NA, providing goods and services to airports. And it is on behalf of our members that I come before you today.

I want to thank the Committee for the priority you have placed on aviation this year, not only through your efforts to ensure we were included in the American Recovery and Reinvestment Act (ARRA) , but also for your swift action on the much needed Federal Aviation Administration (FAA) Reauthorization bill, H.R. 915, which included an increase in the Passenger Facility Charge (PFC) user fee ceiling to $7.

As you know, construction costs continue to increase, significantly eroding the value of the existing PFC ceiling. The current ceiling of $4.50 is worth $2.51. And if the PFC had been indexed to inflation, the ceiling would now be $8.18. There are many projects that are not eligible for AIP financing, such as refurbishing terminals at large and medium airports, which cannot go forward without such an increase.

Pittsburgh International Airport had to defer over twenty (20) PFC funded projects due to the relatively low buying power of the current level of PFC's in today's dollars. This deferment also means that the associated design, management and construction jobs are deferred as well. Your assistance in providing the tools for airports to not only play a major role in improving transportation infrastructure, but to help create thousands of jobs, recognizes the important role airports play in the overall infrastructure development in the United States.

AIP Projects: Shovel Ready:

When John Clark, Chairman of ACI-NA's Board, testified before this Committee in January, he noted that the key to assuring a successful stimulus package was to get the funds flowing as quickly as possible, and urged that the best way to accomplish this goal for airports was by using the Airport Improvement Program (AIP) as the funding vehicle. AIP eligible projects include those related to enhancing airport safety, capacity, security, and environmental concerns. Airports operate on a continuous planning cycle and typically have capital programs planned five to ten years in advance. Many of the projects included in these capital programs have already completed the necessary planning, design, environmental and other reviews. They have been screened by the local and regional divisions of the FAA Airports Office and are simply waiting for funding to begin construction.

The Committee's decision to distribute the $1.1 billion ultimately appropriated using the AIP process has proven to be very successful. It has allowed us as an industry, working in conjunction with our partners at the FAA, to move forward quickly, using a process we all know and understand, and one which provides clear guidelines. I believe the use of the AIP program as the funding vehicle explains why the FAA was able to report on June 5 that all but $5 million of the $1.1 billion appropriated had been authorized to 323 projects. We appreciate the FAA's efforts in getting this money into our hands as quickly as possible so we could proceed with our projects and get on with the job of helping create the estimated 30,000 to 47,000 jobs that come from the $1 billion investment in construction.

The State of Pennsylvania was privileged to receive the first economic recovery money. DOT Secretary LaHood announced on March 12 that Pittsburgh International Airport would receive $10 million as part of the recovery package and $2 million would go to the Allegheny County Airport. As Vice President Biden noted at the time, "This is money that will create jobs now – but it's also an investment in the long term safety of our airports and their economic viability."

At the Allegheny County Airport, the $2 million of stimulus funding will be used to renovate parts of four taxiways and reconfigure aircraft apron areas that will allow for the future construction of aircraft maintenance hangars and their associated ramp space. Construction is scheduled to begin the week of July 20, 2009. The reconfiguration associated with this project will allow us to construct the necessary infrastructure that is so critical for future aviation/airport industry demands, while also correcting an antiquated physical layout. When completed, we will be able to make space available for the construction of much needed aircraft maintenance hangar facilities. Thus, the $2 million project not only creates the immediate number of construction jobs listed below, but also positions the airport to allow construction jobs associated with new hangars and the long term creation of aircraft maintenance and operations positions as well. Our Economic Impact Study estimates that the $2 million Allegheny County Airport project will create 40 jobs – 24 direct jobs and 16 secondary jobs.

The $10 million stimulus project at the Pittsburgh International Airport will rehabilitate runway 14-32, one of four runways used by commercial flights which bring 8.7 million passengers a year through our airport. Runway 14-32 is critical in that as the primary night time arrival runway, it is our preferential runway for noise abatement procedures. The $10 million will be utilized to rehabilitate airfield pavement, make grading improvements and update pavement markings, airfield signage and lighting systems. By allowing us to rehabilitate this runway, the airport is able to continue its ability to operate in the most environmentally friendly manner possible, while offering an exceptionally efficient airfield to both military and civilian aircraft operators. This project will create an estimated 207 jobs: 122 direct jobs and 85 indirect jobs. Advertising for this project starts June 24, 2009 with a notice to proceed expected to be given to the successful contractor on September 1, 2009.

Shovel Ready:
One point this Committee made very clear was that the funding provided under this Act was for projects that were shovel ready. I am pleased to be able to report that many airports already have their shovels in the ground - the Sarasota Bradenton International Airport in Sarasota, Florida, for example, has completed all but some electrical work on their $2.3 million overlay of runway 4-22. The project resulted in 42 direct jobs. Runway rehabilitation projects like this one illustrate the need for airports to maintain current airside facilities to ensure the safety of the traveling public.

At the San Francisco International Airport in San Francisco, California, a majority of the repaving construction work happened last month on the $5.5 million rehabilitation of Runway 28R-10L – the Airport's largest runway. The funding is being used to overlay and reconstruct the runway, repair deteriorating pavement, improve the surrounding drainage system, upgrade the runway and taxiway lighting and related electrical system, and repaint runway markings to increase visibility and improve safety for aircraft on the airfield. The project will create 90 jobs in the Bay Area.

The Tampa International Airport in Tampa, Florida issued its Notice to Proceed on June 3 for their Taxiway B Rehabilitation Bridge and Service Road, which will create 395 direct jobs and an estimated 205 indirect jobs thereby putting 600 people to work. This project, which is part of a larger $52 million effort, will elevate the taxiways by the North Terminal with two bridges thereby removing 150,000 vehicle movements a year from the taxiway. This project will not only improve the flow of plane traffic but increase safety at the airport as it eliminates vehicles crossing the runways.

The McGhee Tyson Airport in Knoxville, Tennessee issued their Notice to Proceed (NTP) on June 15, and they are working on a $4.9 million project that will provide for the Rehabilitation of Taxiway B. This six-month project will allow them to rehabilitate the neediest section of pavement at the airport and to pave and improve the midfield access road.

The Detroit Metropolitan Wayne County Airport has begun their $15 million project to support the reconstruction of Runway 9L/27R; one of two crosswind runways used primarily during strong westerly wind conditions. This is part of a $34.6 million rehabilitation project that would have taken two years to do originally, but with the addition of the stimulus funding, will be completed in one construction season. This enhances the project's short-term economic impact on the region. It is estimated to generate up to 225 new, local jobs at the airport for excavators, pavers, haulers, electricians and other construction workers. The newly rebuilt runway will have a lifespan of at least 20 years, an important investment at an airport that is among the 20 busiest air transportation hubs in the world.

At Chicago's O'Hare International Airport, work began last month on a $12.3 million project for Runway 10/28 construction and Taxiway M widening adjacent to the runway. The Runway project removes and replaces a slab of post tension concrete pavement, thereby improving critical airfield infrastructure based on its life expectancy. The wider Taxiway will increase operational capability and efficiency of aircraft using Runway 10/28 and the south airfield. While the project is not part of the ongoing O'Hare Modernization Program, it does support the future configuration of the airfield. At least 50 direct construction jobs are supported by the $12.3 million project and work is expected to be completed early in the fourth quarter of this year.

And just last week work began on the Taxiway A Reconstruction work at the Mount Comfort Airport in Indiana. The taxiway, which was constructed in the late 1970s, is reaching the end of its useful life as weathering and age have deteriorated a large percentage of its concrete joints. The sub-base is also deteriorating causing the surface of the taxiway to break up. The project will create 118 jobs.

Projects Ready to Go

There are also a number of projects scheduled to come online over the course of the next four weeks:

At the Kansas City International Airport, in Kansas City, Missouri, 50 direct jobs will be created by the $7 million runway rehabilitation project. The airport received the funding two weeks ago and expects to complete the work by the end of September.

The Oakland International Airport in Oakland, California has been awarded $9.7 million in stimulus funding for the East Apron Phase III project. The work will incorporate ramps, taxiways and overnight parking space for airplanes. It is expected to be completed early next year. The airport director commented that this infusion of funding will move forward a project that had been pushed years down the road due to lack of capital, while providing for $9.7 million worth of work that otherwise would not have taken place in the hard-hit Bay Area.

At the Norman Y. Mineta San Jose International Airport in San Jose, California the $5.2 million in stimulus funding will complement $2 million in regular AIP funding and some local funding to provide $8.4 million for the rehabilitation of Taxiway W. This project will provide a second, alternative taxiway that will significantly improve the safety of movement for general aviation aircraft, which currently use a single taxiway for both arrivals and departures. The FAA's Regional Safety Analysis Team recommended the Airport address the potentially unsafe general aviation aircraft movement patterns for

Taxiway W in 2007. The stimulus allowed the airport to move this project forward by a full year. The construction will start in late July and will create 83 direct jobs: 34 field jobs; 41 shop jobs; and 7 professional jobs.

The Fresno Yosemite International Airport will create 28 new jobs next month when work begins on a $2.2 million project to reconstruct connecting taxiways. This was not the originally planned project for the stimulus which involved work on Taxiway B that almost every aircraft uses. Working with the FAA, it was determined that Taxiway B could be done with regular AIP funding, as the bids for the project came in as much as 30 percent below estimates. This project will create 71 new direct jobs in addition to those jobs created by work on Taxiway B. The addition of the stimulus funding has allowed the airport to complete one large taxiway project in half a year instead of two and move another project forward by two years.

Why Fund Airport Construction in the Stimulus:

Some questioned the purpose of putting money in the stimulus for airports when traffic is down. Although it is true that many airports throughout the United States, in light of the recession, are facing reduced passengers, fewer flights, less competition for service and unsecure financial markets, there is still a critical need to maintain the safety and efficiency of our airfields and terminals. Further, we are committed to making the necessary infrastructure investments to prepare for the expected 25 percent growth in service that the Federal Aviation Administration predicts our industry will face by 2021 when it is estimated that 1 billion people will take to the sky.

Airports have to continually plan for the future. We cannot construct airside or landside improvements to meet passenger demands overnight as these projects take many years to design, finance and build. We do not have the luxury of responding immediately to market demands. Runways, terminals, taxiways, and most airport infrastructure projects in general take five or 10 years, so airports need to begin building now to lay the groundwork for the future.

And there is a great deal of work to be done if we are to be fully prepared. At the beginning of 2009, ACI-NA surveyed its membership on their capital needs. The study was comprehensive, looking at all airport projects, not just those that are AIP eligible, as is the case with the FAA-produced National Plan of Integrated Airport Systems (NPIAS). The ACI-NA 2009 Capital Needs study indicates that airports, including both commercial and general aviation airports, have $94.4 billion in total projects that are considered essential by the airport and airport users. This figure reflects projects that have already secured financing as well as those that cannot proceed due to inadequate funding and are not expected to be blocked by the airline industry. As you would expect, the vast majority of the capital needs are at large hub airports, many of which continue to experience significant congestion and passenger delays.

Many airport operators that participated in ACI-NA's survey have deferred or reduced capital programs in response to the changing economy. Not surprisingly, medium and small hubs see the largest decreases of capital investment, by more than 22 percent and 8 percent respectively, among all the airport hub categories from the last estimate done in 2007. This shows the prudence with which airport operators make their decisions which should debunk any "build it and they will come" arguments. Still, the impact on construction cost inflation and the reality that we still have many congested airports and unmet needs is evident by the results of our survey.

Since we know that $1 billion in transportation infrastructure produces on average 30,000 to 47,000 jobs, if all of the $94 billion in airport capital needs were met, the airport industry could help add 3 to 4 million jobs to our struggling economy.

In addition, the ARRA funding allows our industry to take another step forward in our work to be ready for NextGen. NextGen begins and ends at the airport. As the Government Accountability Office noted in its September 2008 report, *Next Generation Air Transportation System: Status of Systems Acquisition and the Transition to the Next Generation Air Transportation System*, "With regard to airport infrastructure, a transition to NextGen will also depend on the ability of airports to handle greater capacity." The report notes that airports will play a critical role in implementing infrastructure and procedural enhancements needed to meet identified capacity needs, such as runway and taxiway enhancements. Airports will also be on the front line in providing additional airport terminal and roadway capacity commensurate with the airfield and airspace capacity increases NextGen will provide.

Like many airports, Pittsburgh International Airport was designed to be flexible and responsive to industry needs over an extended period of time. In the case of Pittsburgh, we have made the transition from a strong fortress hub to a very strong origination and destination airport. In expectation of the arrival of the NextGen technology, Pittsburgh is well positioned to accommodate future demands. In fact in preparation of the anticipated industry growth over the long run, Pittsburgh has developed the Capacity and Service Enhancement (CASE) program that would significantly aid the congestion management of air traffic in the northeast United States. The CASE program, by maximizing existing federal assets and services, would decrease airline delays and passenger inconvenience, decrease fuel burn thus making us less dependent on foreign oil, and decrease greenhouse gas emissions by significantly reducing aircraft flight and taxi delay.

Airports Benefiting from AMT Exemption

There is another piece of the stimulus I would like to bring to this committee's attention. Although it involves a change in the stimulus made in the tax portion of the bill, it is having a stimulative impact on airports. The ARRA exempted private activity bonds (PABs) from the Alternative Minimum Tax (AMT). Approximately two-thirds of airport bonds are considered private activity bonds (PABs), therefore making interest on these bonds potentially subject to the AMT for bond holders. This AMT penalty caused airport bonds to be unattractive on the markets and therefore airports, even those with high credit ratings, could not find buyers for their bonds. In fact from August through December of 2008, not one long term (30 year) airport bond was sold.

With airports relying on bonds to finance 53 percent of their capital construction needs for safety, security, and infrastructure projects, when the bond market dried up during the last half of 2008, airport construction projects were delayed or halted all together. Mr. Chairman, I am delighted to report that with the passage of the Stimulus bill which exempted airport bonds from the AMT, several airports have already gone to the market and found buyers for their debt.

In March, the Metropolitan Nashville Airport Authority (MNAA) sold $36 million in bonds to help fund a terminal project. MNAA estimates that they saved $3.2 million in total debt servicing. In mid-April, Miami Dade International Airport also had success in selling new bonds to raise money to fund a terminal project. The Metropolitan Washington Airport Authority also was able to sell bonds to assist in several projects in their capital construction program. And the Sacramento Airport announced on June 16th that they would be issuing bonds as well.

The provisions in the Stimulus not only allowed for new bonds issued to be AMT exempt over the next two years, but it also allowed for the financing of previous debt dating back five years. Several airports have also taken advantage of the refinancing allowed in the bill as well. When my colleague John Clark testified about the Stimulus before this Committee in January, he explained the need to allow airports to be able to refinance debt. When the markets froze at the end of last year, several airports turned to high-interest, short-term debt to continue projects. Most notable during that time was the San Francisco International Airport's issuance of three high-interest short-term bonds. I am happy to report that San Francisco has taken advantage of the refinancing provisions and earlier this month was able to refinance that debt and save the airport $1.6 million in annual debt service. The Philadelphia International Airport in my home state had a similar experience earlier this year.

The relief airports have been provided from the AMT will have a long-term effect not only because airports have been able to find buyers for their bonds because of the relief itself, but also due to the investments in infrastructure that airports will be able to make because of this provision. Projects funded by bonds are generally larger projects costing tens of millions of dollars. That equates to tens of millions of dollars in economic development and the creation of hundreds if not thousands of good paying jobs. In terms of airport infrastructure there is no doubt that the AMT provision has had a stimulating impact in the short and long-terms.

Since we are only a few months into the two full years that this provision will be on the books, we at Airports Council International- North America are closely monitoring the full impact of the AMT exemption on private activity bonds on our industry and in our local communities. We look forward to working with this Committee and with your colleagues on the Ways and Means Committee to find a way to make this particular provision of the ARRA permanent. The airport industry believes that accessing lower cost debt will be a major benefit to the aviation industry as a whole as we look to build the infrastructure necessary for the modernization of the aviation system through NextGen.

Mr. Chairman and Ranking Member Mica, I would like to thank you again for allowing me to testify on behalf of the airport industry. And I am pleased to be able to report that the $1.1 billion appropriated for airports in the ARRA as initiated by this Committee is creating much needed jobs today across the country while investing in the infrastructure needed to address the future of aviation. Thank you and I am happy to answer any questions.

**STATEMENT OF
PETER M. ROGOFF, ADMINISTRATOR
FEDERAL TRANSIT ADMINISTRATION
BEFORE THE
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
UNITED STATES HOUSE OF REPRESENTATIVES
HEARING ON PROGRESS IN IMPLEMENTING
THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009**

June 25, 2009

Chairman Oberstar, Ranking Member Mica, and Members of the Committee, thank you for the opportunity to appear before you today to discuss the Federal Transit Administration's (FTA) progress in implementing the American Recovery and Reinvestment Act of 2009 (Recovery Act). In the 16 weeks since this hallmark legislation was enacted, FTA has been working hard to deliver funding to support the economic recovery, build public transportation for the future, and do so expeditiously and with unprecedented transparency and accountability. Today, I want to share with the committee how Recovery Act funds have helped local communities and what FTA has been able to accomplish so far in carrying out Recovery Act mandates.

Across the nation we are seeing Recovery Act funds used to create and preserve jobs, save energy, and enrich the lives of people in communities by improving their public transportation systems, and as Secretary LaHood said, "The Recovery Act is working for America. It is far more than a set of federal statistics. It's a testament to our ability to put government to work for the people, and lay the groundwork for a brighter future for all of us." We are hearing from people about their success in putting Recovery Act dollars to work for transit in their communities.

For example, Advance Transit provides fixed route transit services in the Greater Hanover-Lebanon area in New Hampshire and Vermont. This transit agency originally planned to move forward with only phase one of a plan to fully expand its bus maintenance and operations facility. The plan called for a three-phase build-out for maximum utilization of the lot. Upon learning of the possibility of funding under the Recovery Act, Advance Transit made plans to complete building phases one and two, which would allow it to nearly double the bus maintenance area and improve the bus operations function. A large part of the phase two project is adding energy efficiency enhancements for the building envelope, a photovoltaic array for electric production, a rainwater and snowmelt harvesting solution for its bus washing facility, and a LEED Silver Certification as a green building. Advance Transit estimates that the solar array will allow it to offset nearly 44 percent of its projected electric use. The "R" values for the building will be improved by 25 percent in the existing structure, which may be enough to offset the cost of heating the additional space. The plan calls for a complete update to the HVAC systems and the addition of computer controls to provide maximum efficiency. According to Advance Transit, Recovery Act funds will allow it to maximize cost advantages in two ways. First, combining phase one and two into a single construction project enables it to reduce costs involved in mobilization for contractors and for the tie-in costs to the existing structure. Second, the energy enhancements to the existing structure and the additional efficiency elements of the new structure will mean lower operating costs for many years to come.

Another example comes from Philadelphia where the Southeastern Pennsylvania Transportation Authority or SEPTA plans to launch an ambitious make-over of regional rail stations. We learned that "more than 50 of SEPTA's 151 functioning stations are to be replaced, rebuilt, repaired, or at least repainted in the next five years. For some, it will be the first attention since they were built over a century ago." Worth noting is the Tulpehocken and Carpenter stations where business developers would like to lease the stations because "for more than nine years, that train station has meant more than just a train station. The coffee shop there has become the heart of the community." Recovery Act funds mean that the Tulpehocken station and its inbound passenger shelter will get $1.3 million, with the goal of converting the long-uninhabited station into an office and residential space.

Finally, in Idaho, where transit advocates have long fought to build a strong base, the Governor there has approved the use of more than $8.7 million in Recovery Act funds to put more Idahoans to work and improve rural transportation options. The Governor projects that the public transportation projects are calculated to generate or preserve approximately 155 jobs working on a range of projects including a new transit center in Victor, bike and pedestrian paths in Ponderay, and increased transit services in several communities that depend on tourism to support their economy.

Recovery Act funds are making a difference and FTA is proud to support the efforts of transit agencies across the country like ones mentioned above. We believe the Recovery Funds made available for public transportation – $8.4 Billion – created an extraordinary opportunity that FTA has executed enthusiastically in partnership with local transit authorities. The agency worked overtime to stand up the six different public transportation programs, meeting or beating statutory deadlines to make Recovery Act funds available to transit providers and States. Shortly after the Recovery Act's passage, FTA established a standing internal workgroup comprised of Senior Executives and staff with expertise in financial, policy, planning and environmental requirements, communication, and program implementation to anticipate issues and develop guidance to our grantees. That effort produced guidance to our grantees covering a range of topics to assist them with navigating the Act's requirements. We accomplished this through a new FTA webpage (www.fta.dot.gov/economicrecovery) that is devoted to Recovery Act issues and through the publication of guidance in the March 5, 2009 *Federal Register* notice, which also allocated Recovery Act formula resources. Our outreach efforts didn't end there; we also participated in numerous webinars, attended conferences to present our Recovery Act implementation strategy, and hosted video-conference training for FTA staff to ensure a common understanding of the Act's requirements and a consistent approach on implementation. Our collaborative efforts have paid off as FTA works with its grantees to approve grants quickly for meritorious transit projects that are "ready-to-go" and will provide long-term investments in livable communities. I want to acknowledge and express thanks for the extraordinary efforts of FTA's career staff who have worked many long hours to ensure that grantees have the information they need to successfully apply for Recovery Act funds.

In addition to managing FTA Recovery Act resources, FTA plays an active role on the Secretary's Transportation Investments Generating Economic Recovery team, or TIGER team, which coordinates and oversees the Department's responsibilities and reports regularly to the Secretary. We also provide staff expertise to the Secretary for the $1.5 billion discretionary grants program for surface transportation infrastructure projects that will have a significant impact on the Nation, a metropolitan area, or region. Because of the potential complexity of a multi-modal grant program, FTA is proud to be part of the extensive review process for those grant proposals and we will work with the Secretary to ensure that those grants are wise investments of taxpayer dollars and awarded as expeditiously as possible to create and preserve jobs.

In fact, the collaboration between FTA and transit providers nationwide has been instrumental in keeping implementation on track. These efforts are delivering public transportation investments. Of the $8.34 billion of Recovery Act funding provided to FTA, $1.79 billion has been obligated already and another $5.72 billion in grants currently are in process for obligation in the near term. In addition, $51.3 million in Recovery Act flexible surface transportation funds have been transferred from the Federal Highway Administration to FTA for public transportation projects. These transfers reflect decisions by States and local authorities to use Recovery Act dollars available for highways or transit for transit projects in their respective locales.

FTA estimates, based on the grants that are currently in process, that approximately 4,000 new transit vehicles will be purchased or on order by this September. Many of these vehicles will help bring the Nation's transit system closer to a state of good repair by replacing overage vehicles, which will reduce maintenance costs of our transit systems and provide cleaner and more comfortable rides to transit customers. A number of these vehicles will also go toward expanding transit service, providing more transportation choices to families in urban and rural communities across the country.

The Recovery Act sets aggressive deadlines for the obligation of transit funds. FTA has focused on delivering the funds to grantees for sound public transit investments. The Recovery Act calls for the obligation of 50 percent of transit formula dollars in specific geographic areas within 180 days of apportionment, which means by September 1, 2009. The Act requires FTA to withhold a specified portion of funds from areas that do not meet the September 1st deadline.

The September 1 deadline is 68 days away. Right now, 31 of the 204 urbanized areas and States that received urbanized area formula funds have met the 50 percent obligation requirement; ten of the 54 States, territories, and possessions that received non-urbanized area formula funds have met the requirement; and eight of the 39 urbanized areas receiving fixed guideway formula funds have met the deadline. At this time, FTA is working closely with grantees to meet the targets with sound transit investments. FTA is monitoring the obligation rates regularly, identifying problems early, communicating with grantees frequently, and solving issues that are identified.

FTA is also making solid progress on awarding Recovery Act funds for discretionary public transportation programs. The Recovery Act provided $750 million for capital investment grants, known as New Starts and Small Starts; $17 million to invest in our Tribal Transit program; and $100 million to a new program called the Transit Investments for Greenhouse Gas and Energy Reduction -- also known fondly as the "TIGGER" program.

New Starts

The Recovery Act appropriated $750 Million for Capital Investment Grants. The funds are for major capital projects eligible under the discretionary section 5309 New Starts/Small Starts program, with statutory priority given to projects already under construction or that could obligate funds within 150 days of enactment of the legislation.

FTA announced its allocation of these funds in the *Federal Register* on May 11, 2009, based on an analysis of construction schedules and cash flow needs of New Starts and Small Starts projects currently under construction. In the *Federal Register* notice, FTA indicated that it may de-obligate and reallocate any funds that are not disbursed by May 11, 2010.

Ten of the projects awarded funds have existing Full Funding Grant Agreements (FFGAs) under the New Starts program, and one project is a current Small Start. All are able to use the funds for projects under construction promptly. The amounts allocated under the Recovery Act did not increase the total Federal investment in these FFGAs. However, the accelerated payout of the Federal New Starts commitment allowed for transit agencies to expedite local projects. In addition, the allocation approach maximized the New Starts commitment authority created by the Recovery Act. A total of $1.5 billion in New Starts and Small Starts commitment authority was created by FTA's allocation. This has allowed FTA to make New Starts funding commitments that would have otherwise been impossible. The American people will see more, better transit projects sooner because of the Recovery Act.

Tribal Transit

The Recovery Act set aside 2.5 percent of the funds appropriated for the Section 5311 program to be distributed to Indian Tribes under the provisions of FTA's Tribal Transit Program. FTA published a *Federal Register* notice on March 23, 2009, announcing the availability of $17 million in Recovery Act funding and specifying the unique requirements under the Recovery Act. Tribes responded to the notice by submitting over 70 applications for funding with a total value of $55 million by the May 22, 2009, deadline.

FTA also published an annual Notice of Funding Availability for the FY 2009 Tribal

Transit Program ($15 million) on April 29, 2009. The annually appropriated funds can be used for operations and planning, in addition to capital assistance, while Recovery Act funds can only be used for capital assistance. Applications for the annual program are due June 29, 2009. FTA will coordinate its review of tribal applications under the Recovery Act and the annual program to maximize the opportunities for Tribes and avoid redundant funding. Selections under both programs will be announced in the *Federal Register,* we hope before the end of the fiscal year.

TIGGER

Additionally, FTA published a *Federal Register* notice soliciting proposals for the $100 million in TIGGER program funds on March 24, 2009. Proposals for TIGGER program funds were also due on May 22, 2009. FTA has received 200 proposals identifying 450 possible projects and requesting over $1.56 billion in funding. FTA plans to announce successful applicants by the end of the fiscal year.

FTA has taken steps to provide effective management and oversight of these Recovery Act funds, to ensure that the funds provided by Congress are used efficiently, effectively, and to provide maximum benefit to the public. The Recovery Act provides FTA with $64.3 million in combined oversight and administrative funding to support the economic recovery effort, or approximately $16 million per year over the next four years. FTA has developed a strategy which combines adding term staff appointments with contractor resources to ensure the public transportation Recovery Act funds meet their intended purposes. FTA is in the process of hiring staff, principally in the regions, to accommodate the large influx of additional grants and capital focused projects.

FTA has developed an oversight strategy that recognizes the risks of this funding program. Grants funded with Recovery Act resources are 100 percent federal share. The additional funds made available create opportunities for grantees, who may attempt types of projects typically not undertaken by the grantee -- such as a capital construction project or major rehabilitation. Even transit's largest grantees will need to be cautious as they add significant Recovery Act funds to their 2009 work programs. We recognize the need for strong and comprehensive oversight of these funds. FTA has developed Recovery Act-specific oversight strategies that address these unique vulnerabilities associated with Recovery Act recipients and sub-recipients. We are augmenting our oversight program and technical assistance efforts to accommodate the Recovery Act program. In some cases, we have supplemented our standing reviews, such as our Triennial and State Management Reviews, with Recovery Act program questions. In some cases, we are developing spot reviews to focus on high risk areas. Moreover, we have integrated DOT-wide risk identification and risk mitigation strategies into our existing well-established oversight program plans.

We have made strong efforts to pro-actively assist grantees in fully understanding compliance and reporting requirements. As part of this proactive technical assistance effort, we are developing targeted and customized oversight workshops that will address historically problematic compliance areas as a way to mitigate risk early on. Further, we have strengthened our current oversight workshops and training sessions by inviting the Office of Inspector General to provide training on ways to identify and prevent waste, fraud, and abuse. FTA is about to roll out a course designed to help the smaller transit agency execute a construction project. We are making the course available state by state, on an as requested basis. FTA also maintains an extensive website, with a query function and multiple questions and answers posed by users. Through these and other efforts, FTA is ensuring effective oversight so that projects funded by the Recovery Act are held to the highest standard of transparency and accountability that has been set forth by President Obama and Secretary LaHood.

I join Secretary LaHood in recognizing that the Recovery Act is more than statistics. Recovery Act funds are enabling transit agencies across the country to enrich the lives of people in their communities and provide local jobs. We knew that Recovery Act investments would make a difference and I applaud this committee, the Congress, and President Obama for making the investment in transit. I would be happy to answer any questions that you may have.

Statement of
Joseph C. Szabo
Administrator
Federal Railroad Administration
Before the
Committee on Transportation and Infrastructure
United States House of Representatives
June 25, 2009

Chairman Oberstar, Ranking Member Mica, and members of the Committee: I am honored to appear before you today to discuss the Federal Railroad Administration's (FRA) progress in implementing the American Recovery and Reinvestment Act of 2009 (Recovery Act). In addition to creating jobs, putting people back to work and addressing long-overdue infrastructure investment needs, the Recovery Act also sets the stage for one of the most significant new initiatives of President Obama, Vice President Biden, and Secretary of Transportation LaHood – the development of high-speed rail transportation in America. To supplement this testimony, I wish to incorporate by reference two recent publications of the FRA: *Vision for High-Speed Rail in America* (April 2009) and *High-Speed Intercity Passenger Rail (HSIPR) Program Notice of Funding Availability, Issuance of Interim Program Guidance*. (June 2009). Both documents are available on FRA's website: www.FRA.DOT.GOV.

FRA's total appropriation in Fiscal Year (FY) 2008 was approximately $1.5 billion. The Recovery Act appropriated $9.3 billion in addition to the $1.7 billion appropriation FRA received for FY 2009. Despite this significant increase, FRA takes great pride in that we have met or exceeded every one of the aggressive milestones set in the Recovery Act.

The first significant Recovery Act milestone for FRA was the obligation of $1.3 billion in capital funds to Amtrak within 30 days of enactment. This was done on March 17, 2009. Beyond the obligation of funds, FRA has approved specific projects, including providing the necessary clearances under the National Environmental Policy Act and related laws and regulations, totaling approximately $1.1 billion. The bulk of the funding awaiting final approval involves security investments. The Department of Homeland Security is

assisting FRA in the review of these projects and we anticipate these reviews will be concluded and the remaining projects covering the entire $1.3 billion will be approved within 3 weeks. In addition to working closely with Amtrak to identify and approve projects for Recovery Act funding that met all of the Recovery Act requirements, FRA and Amtrak have entered into a grant agreement that outlines Amtrak's responsibilities to assure that the funds are expended in accordance with all applicable requirements, including the Recovery Act reporting requirements, the need for fixed price contracts selected through competitive bids, and the objective of completing projects by February 17, 2011. Over the next two years, FRA will oversee Amtrak's implementation of individual projects and expenditure of Recovery Act dollars through program reviews, on-site inspections and the grant agreement's extensive reporting requirements.
Amtrak is now turning approved projects into orders for materials and supplies and work rebuilding its railroad. I note that Amtrak's President Joseph Boardman is also a witness at this hearing. I will leave it to him to talk about the great progress Amtrak is making. I would like to use the balance of my time to talk about the President's High-Speed Intercity Passenger Rail Initiative.

High-Speed Rail

America faces a new set of transportation challenges - creating a foundation for economic growth in a more complex global economy, promoting energy independence and efficiency, addressing global climate change and environmental quality, and fostering livable communities connected by safe and efficient modes of travel. The existing transportation system requires significant investment simply to rebuild and maintain critical infrastructure and modernize aging technologies. Meeting our 21st century challenges will require new transportation solutions as well.

The Obama Administration believes that our transportation investment strategy must address several strategic goals in the coming years:

- Ensure safe and efficient transportation choices. Promote the safest possible movement of goods and people, and optimize the use of existing and new transportation infrastructure.

- Build a foundation for economic competiveness. Lay the groundwork for near-term and ongoing economic growth by facilitating efficient movement of people and goods, while renewing critical domestic manufacturing and supply industries.

- Promote energy efficiency and environmental quality. Reinforce efforts to foster energy independence and renewable energy, and reduce pollutants and greenhouse gas emissions.

- Support interconnected livable communities. Improve quality of life in local communities by promoting affordable, convenient, and sustainable housing, energy, and transportation options.

A New Transportation Vision. President Obama proposes to help address the Nation's transportation challenges by investing in an efficient, high-speed passenger rail network of 100-600 mile intercity corridors that connect communities across America. High-speed intercity passenger rail (HSIPR) is well positioned to address many of the nation's strategic transportation goals listed above:

Safe and efficient transportation options. Rail is a cost-effective means for serving transportation needs in congested intercity corridors. In many cases, modest investment on existing rights-of-way can result in HSIPR service with highly competitive trip times, while also providing ancillary benefits to energy-efficient freight rail service. HSIPR also has a strong track record of safety in the United States and overseas. In Japan, for instance, the Tokaido Shinkansen trains have operated without a derailment or collision since the inception of operations in 1964.

Foundation for economic competitiveness. America's transportation system is the lifeblood of the economy. Providing a robust rail network can help serve the needs of national and regional commerce in a cost-effective, resource-efficient manner, by offering travelers and freight convenient access to economic centers. Moreover, investments in HSIPR will not only generate high-skilled construction and operation jobs, but provide a steady market for revitalized domestic industries producing such essential components as rail, control systems, locomotives, and passenger cars.

Energy efficiency and environment quality. Rail is already among the cleanest and most energy-efficient of the passenger transportation modes. A future HSIPR network using new clean diesel and electric power can further enhance rail's advantages.

Interconnected livable communities. Rail transport has generally been associated with "smart growth" because it can foster higher-density development than has typically been associated with highways and airports. Rail is uniquely capable of providing both high-speed intercity transportation and its own efficient local access and egress system. For example, in the Boston region, Amtrak's Acela serves two downtown stations connected to public transit – South Station and Back Bay – as well as a suburban station near Route 128. Yet just a few miles down the line to the west, Acela achieves speeds up to 150 miles per hour.

Developing a comprehensive high-speed intercity passenger rail network will require a long-term commitment at both the Federal and State levels. The President proposes to jump-start the process with the $8 billion down payment provided in the Recovery Act and a high-speed rail grant program of $1 billion per year (proposed in his fiscal year (FY) 2010 budget).

A major reshaping of the Nation's transportation system is not without significant challenges. After decades of relatively modest investment in passenger rail, the United States has a small pool of expertise in the field and a lack of manufacturing capacity. Federal and State Governments face a difficult fiscal environment in which to balance critical investments priorities, and many will have to ramp up their program management infrastructure. The country's success in creating a sustainable transportation future, however, demands that we work to overcome these challenges through strong new partnerships among State and local governments. railroads, manufacturers, and other stakeholders, along with the renewed Federal commitment discussed here.

In the near term, this proposal lays the foundation for the network by investing in intercity rail infrastructure, equipment and intermodal connections. The near-term investment strategy seeks to:

- Advance new express high-speed corridor services (operating speeds above 150 mph on primarily dedicated track) in select corridors of 200-600 miles.

- Develop emerging and regional high-speed corridor services (operating speeds up to 90–110 mph and 110-150 mph respectively on shared and dedicated track) in corridors of 100-500 miles.

- Upgrade reliability and service on conventional intercity rail services (operating speeds up to 79-90 mph).

This near-term strategy emphasizes making investments that yield tangible results within the next several years, while also creating a "pipeline" that enables ongoing corridor development.

Proposed Funding Approach. In order to meet the goals of the Recovery Act while initiating a transformational new program, we propose to advance four funding "tracks":

- *Projects.* Provide grants to complete individual projects that are "ready to go" with preliminary engineering and environmental work completed.

- *Corridor programs.* Enter into cooperative agreements to develop entire phases or geographic sections of corridor programs that have completed corridor plans and service level environmental documentation, and have a prioritized list of projects to meet the corridor objectives; this approach would involve additional Federal oversight and support.

- *Planning.* Enter into cooperative agreements for planning activities using FY 2009 appropriations funds, in order to create the corridor program and project pipeline needed to fully develop a high-speed rail network.

- *FY 2009 Appropriations Funded Projects.* As an alternative for projects that would otherwise fit under Track 1, but for State applicants offering at least a 50 percent non-Federal share of total project financing, enter into grants with more simplified terms, including more time to complete the project, than required under Track 1.

As President Obama outlined in his March 20, 2009, memorandum, *Ensuring Responsible Spending of Recovery Act Funds,* program evaluation will be based on "transparent, merit-based selection criteria." Criteria will include:

- *Public Benefits.* The extent to which the project or corridor program provides specific, measurable, achievable benefits in a timely and cost-effective manner, including: (1) contributing to economic recovery efforts, (2) advancing strategic transportation goals (outlined above), and (3) furthering other passenger rail goals articulated in the Passenger Rail Investment and Improvement Act of 2008 (PRIIA).

- *Risk Mitigation.* The extent to which the project or corridor program addresses critical success factors, including: (1) fiscal and institutional capacity to carry out projects, (2) realistic financial plans for covering capital and operating costs, (3) formal commitments from key stakeholders (e.g., railroads and participating States), and (4) adequate project management oversight experience and procedures.

As provided for in the Recovery Act and PRIIA, the universe of potential applicants is limited to States, groups of States, and under some circumstances, Amtrak. The focus on State-based passenger rail investment decisions is new for FRA. It is abundantly clear that success, which I take to mean a sustainable program delivering true transportation benefits in a cost-effective, environmentally positive and energy efficient manner, can only be achieved through the development of new partnerships between FRA and the States and regions.

Finally, the President's high-speed rail initiative will transform FRA as an agency in many ways. In the more than 25 years that I have known of FRA, it has been a safety agency that also gave Amtrak its annual grant. In my mind, safety will always be FRA's top priority. But we now have a new, and very important financial assistance mission with a new set of partners and stakeholders. While high-speed rail is an important part of this new mission, so too are our expanded relationship with Amtrak, new grant programs authorized over the last couple of years and our credit assistance program.

FRA's financial assistance staff today is sized for that earlier, quieter era. Even though PRIIA added a number of responsibilities in the areas of passenger rail and financial assistance to FRA, that Act did not authorize an expansion of FRA's financial assistance staff. That they have produced high quality products in response to the aggressive schedule in the Recovery Act is a testament to the knowledge, skill and dedication of that small staff. Having said that, we cannot successfully manage the high-speed rail program envisioned by the President and implement the provisions of PRIIA and undertake our other new and expanded financial assistance functions contained in other recent Acts with the present levels of staff and other resources. The President's FY 2010 budget begins to address FRA's financial assistance staff and resource needs. I urge members of this Committee to support this request. I will also note that successful implementation of the Recovery Act, including oversight of the expenditure of $8 billion, will require that the amount of the funds available for use by the Secretary in project oversight be consistent with the 1% authorized in 49 U.S.C. 24403(b)(1) and not the one quarter of one percent authorized in the Recovery Act.

In closing, let me restate the obvious, these are exciting times at FRA and the Department of Transportation. Long-serving staff at FRA has told me that they have never before seen the level of Administration support for rail programs that they see today from President Obama, Vice President Biden and Secretary LaHood. But if our efforts are to be successful, we will need Congressional support too. In this regard, I cannot help but note the legislative proposal by the leadership of this Committee to fund the development of high-speed rail at $50 billion over the next six years. The Obama Administration has not had an opportunity to review this legislative proposal and thus I am not in a position to comment formally on it. My unofficial personal observation is; "wow!"

I look forward to working with the members of the Congress in general and this Committee in particular, to help this nation reap the numerous benefits offered by high-speed rail. I would be happy to answer any questions you might have on FRA's Recovery Act program.

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Process for Ensuring Transparency and Accountability in Use of Highway Recovery Act Funds – Year 1