RECOVERY ACT 225-DAY PROGRESS REPORT FOR TRANSPORTATION INFRASTRUCTURE INVESTMENT

(111–66)

HEARING

BEFORE THE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
HOUSE OF REPRESENTATIVES

ONE HUNDRED ELEVENTH CONGRESS

FIRST SESSION

October 1, 2009

Printed for the use of the
Committee on Transportation and Infrastructure

U.S. GOVERNMENT PRINTING OFFICE

52–650 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
Fax: (202) 512–2104 Mail: Stop IDCC, Washington, DC 20402–0001

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

JAMES L. OBERSTAR, Minnesota, *Chairman*

NICK J. RAHALL, II, West Virginia, *Vice Chair*
PETER A. DEFAZIO, Oregon
JERRY F. COSTELLO, Illinois
ELEANOR HOLMES NORTON, District of Columbia
JERROLD NADLER, New York
CORRINE BROWN, Florida
BOB FILNER, California
EDDIE BERNICE JOHNSON, Texas
GENE TAYLOR, Mississippi
ELIJAH E. CUMMINGS, Maryland
LEONARD L. BOSWELL, Iowa
TIM HOLDEN, Pennsylvania
BRIAN BAIRD, Washington
RICK LARSEN, Washington
MICHAEL E. CAPUANO, Massachusetts
TIMOTHY H. BISHOP, New York
MICHAEL H. MICHAUD, Maine
RUSS CARNAHAN, Missouri
GRACE F. NAPOLITANO, California
DANIEL LIPINSKI, Illinois
MAZIE K. HIRONO, Hawaii
JASON ALTMIRE, Pennsylvania
TIMOTHY J. WALZ, Minnesota
HEATH SHULER, North Carolina
MICHAEL A. ARCURI, New York
HARRY E. MITCHELL, Arizona
CHRISTOPHER P. CARNEY, Pennsylvania
JOHN J. HALL, New York
STEVE KAGEN, Wisconsin
STEVE COHEN, Tennessee
LAURA A. RICHARDSON, California
ALBIO SIRES, New Jersey
DONNA F. EDWARDS, Maryland
SOLOMON P. ORTIZ, Texas
PHIL HARE, Illinois
JOHN A. BOCCIERI, Ohio
MARK H. SCHAUER, Michigan
BETSY MARKEY, Colorado
PARKER GRIFFITH, Alabama
MICHAEL E. MCMAHON, New York
THOMAS S. P. PERRIELLO, Virginia
DINA TITUS, Nevada
HARRY TEAGUE, New Mexico
VACANCY

JOHN L. MICA, Florida
DON YOUNG, Alaska
THOMAS E. PETRI, Wisconsin
HOWARD COBLE, North Carolina
JOHN J. DUNCAN, JR., Tennessee
VERNON J. EHLERS, Michigan
FRANK A. LOBIONDO, New Jersey
JERRY MORAN, Kansas
GARY G. MILLER, California
HENRY E. BROWN, JR., South Carolina
TIMOTHY V. JOHNSON, Illinois
TODD RUSSELL PLATTS, Pennsylvania
SAM GRAVES, Missouri
BILL SHUSTER, Pennsylvania
JOHN BOOZMAN, Arkansas
SHELLEY MOORE CAPITO, West Virginia
JIM GERLACH, Pennsylvania
MARIO DIAZ-BALART, Florida
CHARLES W. DENT, Pennsylvania
CONNIE MACK, Florida
LYNN A WESTMORELAND, Georgia
JEAN SCHMIDT, Ohio
CANDICE S. MILLER, Michigan
MARY FALLIN, Oklahoma
VERN BUCHANAN, Florida
ROBERT E. LATTA, Ohio
BRETT GUTHRIE, Kentucky
ANH "JOSEPH" CAO, Louisiana
AARON SCHOCK, Illinois
PETE OLSON, Texas

CONTENTS

ADDITIONS TO THE RECORD

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

James L. Oberstar
Chairman

David Heymsfeld, Chief of Staff
Ward W. McCarragher, Chief Counsel

John L. Mica
Ranking Republican Member

James W. Coon II, Republican Chief of Staff

September 30, 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: 225-Day Progress Report for Transportation Infrastructure Investment"

PURPOSE OF HEARING

The Committee on Transportation and Infrastructure will meet on Thursday, October 1, 2009, at 9:30 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 transportation 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 August 2009,[1] there are 14.9 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 26.3 million.

The unemployment rate in August 2009 was 9.7 percent – the highest it has been in 26 years. When part-time and discouraged workers who want full-time jobs are included, the unemployment rate is 16.8 percent.

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

The National Bureau of Economic Research has determined that the current recession began in December 2007. At 21 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 August 2009, the number of unemployed persons has increased by 7.2 million.

The construction sector has been particularly hard-hit. It has lost 1,430,000 jobs since the recession began in December 2007. The unemployment rate in construction was 16.5 percent in August 2009 – up 8.3 points since August 2008. This is the highest unemployment rate of any industrial sector. As of August 2009, there are 1,542,000 unemployed construction workers in the nation. Within the overall construction sector, seasonally adjusted employment in heavy and civil engineering construction[2] has fallen by 160,900 since the recession began in December 2007.

After workers have lost their jobs, they have had more trouble finding new jobs. The average length of unemployment is now 24.9 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 is now 5.0 million, compared to 1.3 million in December 2007. One-half of the unemployed have been out of work for more than 15.4 weeks, and 33 percent have been out of work for more than six months.

However, the number of unemployed construction workers has decreased by 483,000 since February 2009. The unemployment rate for construction workers has also dropped by nearly five percent during that time period.

A study by a national transportation construction association shows that during June and July 2009, the value of construction work on highways and bridges was $1 billion more than the work performed during those months in 2008. Furthermore, between May and August 2009, the value of new contract awards for highway and bridge projects exceeded that period in 2008 by almost $4 billion.

With this urgent need for jobs as the backdrop, Federal agencies, State and local governments, along with the private sector, 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.

Recovery Act

On February 17, 2009, the Recovery Act was signed into law. The Recovery 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

Of the $48.1 billion in funding provided under the Recovery Act, the U.S. Department of Transportation (DOT) has obligated $28.8 billion for 9,640 projects, as of September 18, 2009. This represents 60 percent of the total available funds.

Highways and Bridges

- Of the $27.5 billion provided for highways and bridges, all 50 States, five Territories, and the District of Columbia have submitted to, and received approval from, the Federal Highway Administration (FHWA) for 7,558 projects totaling $18.8 billion.[3] This represents 70 percent of the Recovery Act highway formula funds;

- All 50 States met the Recovery Act requirement that at least one-half of funds apportioned to the States be obligated within 120 days (June 30, 2009) of the date of apportionment;

- Of the $550 million provided for roads on Federal and Indian Lands, FHWA has awarded $150 million for 34 projects. This represents 27 percent of the total apportionment; and

- Of the $60 million provided for Ferry Boat capital grants, FHWA has announced all $60 million in grants for 29 projects in 19 States and the Virgin Islands. Of these announced projects, FHWA has since approved two projects totaling $7.7 million.

Transit

- Of the $6.8 billion provided for transit urban and rural formula grants, the Federal Transit Administration (FTA) has awarded $6 billion for 614 projects in all 50 States, five Territories, and the District of Columbia. This represents 88 percent of the total apportionment;

---

[3] This total includes Federal-aid Highway formula investments and the Puerto Rico and Territorial Highway Programs (total allocation: $26.8 billion).

- Of the $750 million provided for fixed guideway formula projects, FTA has awarded 47 grants worth $738 million in 28 States, Puerto Rico, and the District of Columbia. This represents 98 percent of the total apportionment;

- All States, cities, and public transit agencies met the Recovery Act requirement that at least one-half of formula funds apportioned be obligated within 180 days (September 1, 2009) of the date of apportionment;

- Of the $750 million provided for New Starts, FTA has awarded nine grants totaling $468 million. This represents 62 percent of the total apportionment; and

- After reviewing proposals requesting nearly $2 billion in Transit Investments for Greenhouse Gas and Energy Reduction Grants (TIGGER Program), FTA, on September 21, 2009, announced 43 grants in 27 States, totaling the entire $100 million in available funding.

Rail

- Since the Federal Railroad Administration (FRA) executed a grant agreement with Amtrak for $1.3 billion (for approximately 700 projects), Amtrak has awarded $200 million in contracts for 198 projects; and

- High-speed rail and intercity passenger rail grant applications for "ready-to-go" projects, service planning activities, and appropriations-funded projects were due by August 24, 2009. Applications for service development programs are due by October 2, 2009.

Competitive Surface Transportation Grants

- Applications for the Transportation Investment Generating Economic Recovery (TIGER) Discretionary Grants program were due by September 15, 2009. DOT received 1,381 applications from all 50 States, three Territories, and the District of Columbia, totaling $56.9 billion. Secretary LaHood expects to announce TIGER grants in January 2010, a full month ahead of the statutory deadline.

Aviation

- Of the $1.1 billion provided for the Airport Improvement Program, the Federal Aviation Administration (FAA) has awarded grants for 305 projects worth $1 billion in all 50 States and four Territories. This represents 93 percent of the total apportionment; and

- Of the $200 million provided for the Facilities and Equipment program, the FAA has signed contracts totaling $80 million for 270 Facilities and Equipment projects in 40 States, Puerto Rico, and the District of Columbia. This represents 40 percent of the total apportionment.

Small Shipyard Grants

- Of the $100 million provided for small shipyard projects, the Maritime Administration, on August 18, 2009, awarded 70 grants totaling $98 million for small shipyard projects in 26 States and Guam. This represents nearly 100 percent of the funds apportioned for small shipyards.

For additional information, see the attached report entitled *The American Recovery and Reinvestment Act of 2009, Transportation and Infrastructure Provisions Implementation Status as of September 18, 2009.*

II. Transparency and Accountability Information

Highway and Transit Formula Data

According to the latest submissions by States, metropolitan planning organizations, and public transit agencies, as of August 31, 2009:

- 8,062 highway and transit projects in all 50 States, five Territories, and the District of Columbia have been put out to bid, totaling $22 billion, representing 64 percent of the total available formula funds for highway and transit projects;

- All 50 States, two Territories, and the District of Columbia have signed contracts for 6,472 highway and transit projects totaling $16.8 billion, representing 49 percent of the total available formula funds;

- Work has begun on 5,279 projects in all 50 States, two Territories, and the District of Columbia, totaling $14.4 billion, representing 42 percent of the total available formula funds;

- These 5,279 highway and transit projects have created or sustained more than 122,000 direct, on-project jobs.[4] 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;"[5] and

- These projects have also resulted in tens of thousands of indirect and induced jobs, including jobs at companies that produce construction materials such as steel, sand, gravel, and asphalt, and manufacture equipment including new transit buses. 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 [Recovery Act] 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.[6]

For additional information by State and formula program, visit the Transparency and Accountability section of the Committee's website and click on "Transparency and Accountability Information by State and Program (Data Reported as of August 31, 2009)".

---

[4] Consistent with the DOT's reporting requirements, this figure is based on direct, on-project full-time-equivalent (FTE) job months. One person working full time or two people working one-half time for one month represents one FTE job month. FTE job months are calculated by dividing cumulative job hours created or sustained by 173 hours (40 hours per week times 52 weeks divided by 12 months = 173 hours).

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

[6] *Id.*

Project Data

The Committee 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 September 18, 2009.

Of the $64.1 billion provided for both transportation and non-transportation programs under the Recovery Act, Federal agencies, States, metropolitan planning organizations, and public transit agencies have announced 12,352 projects totaling $40.6 billion, representing 63 percent of the total available funds. Within this total, States and agencies have obligated $33.7 billion for 11,624 projects, representing 53 percent of the available funds.

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 September 18, 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.

WITNESSES

PANEL I

The Honorable Ray H. LaHood
Secretary
U.S. Department of Transportation

PANEL II

The Honorable John Cox
Director
Wyoming Transportation Department

Mr. Charles Gallagher
President
Gallagher Asphalt Corporation
representing the American Road & Transportation Builders Association

Mr. Ward Nye
President
Martin Marietta Materials
representing the National Stone, Sand & Gravel Association

Mr. Paul Soubry
President and CEO
New Flyer

Mr. T. Jeffery Taylor
Manager of Transportation
Elkhart County, Indiana

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

The American Recovery and Reinvestment Act of 2009 Transportation and Infrastructure Provisions Implementation Status as of September 18, 2009

Prepared for

The Honorable James L. Oberstar
Chairman

By the Committee on Transportation and Infrastructure
Majority Staff

For Release on Delivery
September 30, 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**

---

[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;

---

[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.**

---

[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.

ECONOMIC IMPACT: **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 1,430,000 jobs since the recession began in December 2007. The unemployment rate in construction was **16.5 percent** in August 2009 – up 8.3 points since August 2008. This is the highest unemployment rate of any industrial sector. As of August 2009, **there were 1,542,000 unemployed construction workers** in the nation.

- However, the number of unemployed construction workers has decreased by 483,000 since February 2009. The unemployment rate for construction workers has also dropped by nearly 5 percent during that time period.

- A study by a national transportation construction association shows that during June and July 2009, the value of construction work on highways and bridges was $1 billion more than the work performed during those months in 2008. Furthermore, between May and August 2009, the value of new contract awards for highway and bridge projects exceeded that period in 2008 by almost $4 billion.

---

[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.

➢ 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]

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 August 2009, the rate of unemployment for African Americans was 15.1 percent – 70 percent higher than the rate for whites. The unemployment rate for Hispanic or Latino Americans was 13 percent, 46 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.

---

[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).

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,[13] 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

[13] On August 24, 2009, DOT released supplemental guidance on the determination of economically distressed areas. For more information, see: http://www.fhwa.dot.gov/economicrecovery/guidancedistressed.htm.

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 the U.S. Department of Transportation 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.[14]

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.[15]

Recovery Act Implementation:

Federal-Aid Highway Formula Investments and Puerto Rico and Territorial Highway Programs ($26.81 billion): Of the funds provided for the highway formula program,[16] in the past seven months, all 50 States, five Territories, and the District of Columbia have submitted and received approval for 7,558 projects totaling $18.8 billion, approximately 70 percent of the Recovery Act highway formula funds. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

All 50 States met the Recovery Act requirement that at least one-half of funds apportioned to the States be obligated within 120 days (June 30, 2009) of the date of apportionment. According to submissions received by the Committee from States, as of August 31, 2009, work has begun on 4,010 projects in all 50 States, two Territories, and the District of Columbia, totaling $11.4 billion. This represents 42 percent of the total available highway formula funds.

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.

---

[14] American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, § 1201 (2009).
[15] *Id.* § 1512.
[16] On March 2, 2009, eight days earlier than required by the Recovery Act, 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.

DOT reviewed these certifications and determined that all certifications meet the statutory requirements, as to form. FHWA is currently conducting a review of how States determined their planned and actual expenditures. DOT established a website where the agency posts submitted certifications, by State: http://testimony.ost.dot.gov/ARRAcerts/.

Federal and Indian Lands ($550 million): FHWA has awarded $150 million for 34 projects. This represents 27 percent of the total apportionment for Federal and Indian Lands. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

Ferry Boat Capital Grants to States ($60 million): After soliciting grants for 46 days, FHWA, on July 10, 2009, announced $60 million in Ferry Boat capital grants for 29 projects in 19 States and the Virgin Islands.[17] Of these announced projects, FHWA has since approved 2 projects totaling $7.7 million. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

On-the-Job Training ($20 million): FHWA has awarded 11 training grants worth $1.9 million. These grants fund training centers and apprenticeships for underrepresented or disadvantaged people seeking careers in transportation, engineering, or construction. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

Disadvantaged Business Enterprise Bonding Assistance ($20 million): On August 31, 2009, DOT announced that small and disadvantaged businesses may now apply to be reimbursed for bonding premiums and fees incurred when competing for, or performing on, Recovery Act transportation projects. The Recovery Act created this new program to help small and disadvantaged businesses better compete for Recovery Act transportation funds.[18]

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

---

[17] Prior to awarding these grants, FHWA, on March 30, 2009, issued a solicitation for the Ferry Boat capital grants program. FHWA received 102 applications by the May 15, 2009 deadline.

[18] Only qualified bonds obtained from August 28, 2009, to September 8, 2010, are eligible for this assistance. Applications are due by September 8, 2010. For more information, see: http://www.dot.gov/recovery/ost/osdbu/index.htm.

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 the U.S. Department of Transportation 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.[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

---

[19] *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.[20]

Recovery Act Implementation: Of the $6.8 billion provided for transit urban and rural formula grants,[21] FTA has awarded $6 billion for 614 projects in all 50 States, 5 Territories, and the District of Columbia. This represents 88 percent of the total apportionment. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

All States, cities, and public transit agencies met the Recovery Act requirement that at least one-half of funds apportioned be obligated within 180 days (September 1, 2009) of the date of apportionment.

FTA has also received $238 million in 20 transfers from FHWA. Transfers occur when States and local authorities choose to use their Recovery Act highway funds for transit projects in their respective locale. Four States (totaling $18 million) and 16 metropolitan areas (totaling $220 million) have opted to take advantage of this provision.

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

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

---

[20] *Id.* § 1512.

[21] On March 5, 2009, FTA issued public transit urban and rural formula funds apportionments to States and public transit agencies. These apportionments are summarized on the Committee's website: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=930.

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 the U.S. Department of Transportation 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.[22]

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.[23]

Recovery Act Implementation: After reviewing proposals requesting nearly $2 billion in Transit Investments for Greenhouse Gas and Energy Reduction Grants (TIGGER Program),[24] FTA, on September 21, 2009, announced 43 grants in 27 States, totaling the entire $100 million in available funding.

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

---

[22] *Id.* § 1201.
[23] *Id.* § 1512.
[24] On March 24, 2009, FTA issued notice in the Federal Register soliciting proposals for this program. Proposals were due by May 22, 2009.

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 the U.S. Department of Transportation 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]

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: Of the funds provided for fixed guideway modernization projects,[27] FTA has awarded 47 grants worth $738 million in 28 States, Puerto Rico, and the District of Columbia. This represents 98 percent of the total apportionment. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

---

[25] *Id.* § 1201.
[26] *Id.* § 1512.
[27] 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.

All States, cities, and public transit agencies met the Recovery Act requirement that at least one-half of funds apportioned be obligated within 180 days (September 1, 2009) of the date of apportionment.

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 the U.S. Department of Transportation 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.[28]

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.[29]

---

[28] *Id.* § 1201.
[29] *Id.* § 1512.

<u>Recovery Act Implementation:</u> FTA has awarded 9 grants totaling $468 million.[30] This represents 62 percent of the total apportionment. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

<u>Economic Impact</u>: **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.**

[30] On May 11, 2009, FTA announced the allocation of New Starts funding.

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 the U.S. Department of Transportation 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.[31]

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

[31] *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.[32]

Recovery Act Implementation:

Amtrak ($1.3 billion): Since FRA executed a grant agreement with Amtrak for $1.3 billion (for approximately 700 projects),[33] Amtrak has awarded $200 million in contracts for 198 projects, as of September 1, 2009. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

High-Speed Rail and Intercity Passenger Rail Grant Programs ($8 billion): Applications for "ready-to-go" projects, service planning activities, and appropriations-funded projects were due by August 24, 2009. Applications for service development programs are due by October 2, 2009. Prior to the application deadline, FRA received 278 pre-applications totaling $103 billion. The pre-application process helped FRA identify possible ineligible projects and allowed potential applicants to receive feedback prior to submitting final applications.

On June 17, 2009, FRA issued interim guidance on the high-speed intercity passenger rail program. 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."

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."

---

[32] *Id.* § 1512.

[33] On March 19, 2009, FRA executed this grant agreement with Amtrak.

States, groups of States, interstate compacts, and public agencies established by one or more States may apply for capital improvements grant funding.

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.

NATIONAL SURFACE TRANSPORTATION SYSTEM DISCRETIONARY GRANTS - $1.5 BILLION

The Recovery Act: **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.

Distribution: 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.

Prioritization: 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.

Shovel-Ready Deadlines: 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.

Transparency and Accountability Requirements: 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 the U.S. Department of Transportation 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.[34]

[34] *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.[35]

Recovery Act Implementation: Applications for the Transportation Investment Generating Economic Recovery (TIGER) Discretionary Grants program were due by September 15, 2009.[36] DOT received 1,381 applications from all 50 States, three Territories, and the District of Columbia, totaling $56.9 billion. Secretary LaHood expects to announce the TIGER grants in January 2010, a full month ahead of the statutory deadline.

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.

[35] *Id.* § 1512.
[36] On May 18, 2009, the Department of Transportation published a notice of funding availability and solicitation of applications from applicants seeking grants.

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 U.S. Department of Transportation 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.[37]

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.[38]

Recovery Act Implementation: The FAA has awarded grants for 305 AIP projects worth $1 billion in all 50 States and 4 Territories. This represents 93 percent of the total apportionment. To

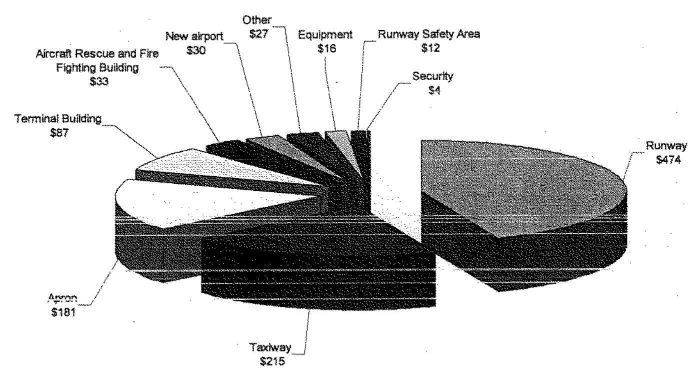
---

[37] *Id.* § 1201.
[38] *Id.* § 1512.

view the specific projects, see:
http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

The chart below represents the FAA's current best estimate of the entire set of projects that will receive Recovery Act funding, by type of project. The graph 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.

<u>Economic Impact</u>: 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 U.S. Department of Transportation 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.[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: The FAA has signed contracts totaling $80 million for 270 Facilities and Equipment projects in 40 States, Puerto Rico, and the District of Columbia. This represents 40 percent of the total apportionment. The FAA plans to have signed contracts for all funds by July 2010. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

---

[39] *Id.* § 1201.
[40] *Id.* § 1512.

The FAA plans to use Recovery Act funds to:

- upgrade power systems at 90 sites ($50 million)
- modernize 18 air route traffic control centers ($50 million)
- replace three air traffic control towers and terminal radar approach control facilities ($80 million); and
- improve lighting, navigation, and landing equipment at 145 sites ($20 million).

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

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.[41]

[41] *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.[42]

Recovery Act Implementation: Of the $4 billion in Recovery Act funds apportioned for the Clean Water SRF,[43] EPA has awarded $3.97 billion in capitalization grants to States, representing almost 100 percent of the total apportionment. Twenty-seven States have put out to bid 541 Clean Water SRF projects totaling $1.25 billion, as of August 31, 2009. This represents 31 percent of the available funds.

EPA and the Obama Administration have taken the following steps to implement the Clean Water SRF and ensure recipients comply with the Buy American provision of the Recovery Act:

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, 2008 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, projects that 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 29, 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

---

[42] *Id.* § 1512.

[43] On March 12, 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.

subcontractors, draft Federal Register notices for waivers of the Buy American provisions, and a checklist for a waiver request.

EPA also published three nationwide waivers of the Buy American provisions for projects funded under the Recovery Act. The first nationwide waiver, published on April 7, 2009, provides a nationwide waiver of the Buy American provisions for projects where debt was incurred on or after October 1, 2008, and before February 17, 2009 (the date of enactment). Under existing law, the Clean Water SRF can be used as leverage to refinance debt obligations incurred for the constriction of wastewater treatment projects at a lower rate. This waiver allows individual States to continue this practice, but not require the retroactive application of the Buy American provisions for projects that may have already been underway. Projects eligible for this nationwide waiver would have "specified designs", "may have solicited bids from prospective contractors", may have "awarded construction contracts, and in some cases began construction, prior to February 17, 2009."

The second nationwide waiver was published on June 2, 2009, and provides a waiver of the Buy American provisions for projects that solicited bids on or after October 1, 2008, and prior to February 17, 2009. Similar to the previous waiver, this waiver would prohibit the retroactive application of the Buy American provisions to projects for which bids had already been submitted prior to the enactment of the Recovery Act.

The third nationwide waiver, published on June 2, 2009, provides a waiver of the Buy American provisions for "de minimis" incidental components of projects financed through the Recovery Act. This waiver would allow for the use of non-domestic iron, steel, and manufactured goods in a project provided that such components "comprise no more than 5 percent of the total cost of materials used in and incorporated into a project."

<u>Economic Impact</u>: 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.[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 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: EPA has provided $499 million to existing contracts for 44 projects in 28 States,[46] representing 83 percent of the total apportionment. Funds will be used to initiate new construction or accelerate ongoing cleanup, boosting local economies and protecting public health and the environment. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

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

---

[44] *Id.* § 701.
[45] *Id.* § 1512.
[46] On April 15, 2009, the EPA announced its distribution of $600 million in new Superfund cleanup funding through the Recovery Act.

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.[47]

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.[48]

Recovery Act Implementation: EPA has awarded grants or provided funds for existing grants or contracts worth $30 million for 100 Brownfields projects, representing 30 percent of the total apportionment. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

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

---

[47] *Id.* § 701.
[48] *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.[49]

Recovery Act Implementation: NRCS has signed contracts worth $16 million to rehabilitate 14 aging dams throughout the country, representing 32 percent of the total apportionment.[50] These projects will help revitalize rural economies by creating jobs and supporting local businesses that supply products and services needed for construction. The projects will also ensure that flood control dams remain safe and protect lives as well as provide decades of flood control, recreation, and wildlife habitat. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

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

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

---

[49] *Id.* § 1512.

[50] On April 6, 2009, NRCS announced its distribution of Recovery Act funds through this program.

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.[51]

Recovery Act Implementation: NRCS has signed contracts worth $86 million for 313 projects, representing 30 percent of the total apportionment. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

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

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

---

[51] *Id.* § 1512.

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.[52]

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.[53]

Recovery Act Implementation: IBWC has awarded contracts worth $43 million for 6 projects, representing 20 percent of the total apportionment. IBWC expects all geo-technical analysis and design and the remaining environmental documentation will be completed by October 2009. IBWC anticipates that all construction projects will be awarded by the end of 2009. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

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

[52] *Id.* Title XI.
[53] *Id.* § 1512.

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.[54]

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

[54] *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.[55]

Recovery Act Implementation: The Corps has committed $1.5 billion for Recovery Act projects, representing 33 percent of the total amount of Recovery Act funds allocated to the Corps, as of September 15, 2009. Specifically, the Corps has committed funds for 107 projects (totaling $481 million) for its Construction program, 503 projects (totaling $866 million) for its Operation and Maintenance program, 36 projects (totaling $128 million) for its Mississippi River and Tributaries program, seven projects (totaling $44 million) for its Formerly Utilized Remedial Action Program, 42 projects (totaling $12.7 million) for its Investigations program, and five projects (totaling $6 million) for its Regulatory Program. 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.[56]

To view the specific projects, see:
http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

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.~~

[55] *Id.* § 1512.

[56] On April 28, 2009, the Corps posted its lists of Civil Works work packages funded by the Recovery Act. The Corps selected and OMB approved approximately 178 Construction work packages, 892 Operation and Maintenance work packages, 45 Mississippi River and Tributaries work packages, 9 Formerly Utilized Remedial Action Program work packages, and 67 Investigations studies and work packages.

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.[57] 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.[58]

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

[57] *See* Energy Independence and Security Act of 2007, Pub. L. No. 110-140, § 401 (2007).
[58] 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.[59]

Recovery Act Implementation: GSA has awarded contracts worth $1.3 billion in Federal Buildings Recovery Act funds for 250 projects, representing 24 percent of GSA's total apportionment. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

To put to work Recovery Act funds, GSA has established a national Program Management Office to oversee Recovery Act projects. The Office is now staffed and operational. GSA has also begun to hire additional staff to assist in the implementation of these projects.

Released on March 31, 2009, GSA's Recovery Act spending plan details how it will use 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

[59] *Id.* § 1512.

photovoltaic membrane (if flat and in the appropriate geography), maximum reasonable insulation 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.

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.[60]

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.[61]

Recovery Act Implementation: The Smithsonian has signed contracts worth $19 million for 13 projects, representing 75 percent of the total apportionment. The Smithsonian expects to award all contracts by September 30, 2009, and complete all construction by December 31, 2010. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

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

---

[60] *Id.* § 701.
[61] *Id.* § 1512.

<u>Economic Development Administration – $150 Million</u>

<u>Recovery Act</u>: 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.[62]

<u>Distribution</u>: 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.

<u>Prioritization</u>: 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.

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

<u>Transparency and Accountability Requirements</u>: 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.[63]

<u>Recovery Act Implementation:</u> On September 25, 2009, EDA reached a milestone by announcing its final Recovery Act project. EDA has announced 68 grants in 37 States totaling $147

---

[62] *Id.* Title II.
[63] *Id.* § 1512.

million,[64] representing nearly 100 percent of the total apportionment. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

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 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**

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.

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

[64] EDA will use the remaining $3 million for administration and oversight of the grants.

<u>FEDERAL EMERGENCY MANAGEMENT AGENCY – $210 MILLION</u>

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

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

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

<u>Transparency and Accountability Requirements</u>: 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.[65]

<u>Recovery Act Implementation:</u> Approximately three months after applications for grants were due,[66] FEMA, on September 23, 2009, announced 104 grants in 36 States totaling $166 million. This represents 79 percent of the total available funds.

This 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. 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.

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

---

[65] *Id.* § 1512.

[66] Applications for grants were due to FEMA by July 10, 2009. On May 29, 2009, FEMA released guidance for the Firefighter Assistance Grants program

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.[67]

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.[68]

Recovery Act Implementation: The Coast Guard has committed to spend $7 million for its Sycamore Cordova Housing project in Cordova, Alaska, $459,000 for the 378-foot High Endurance Cutter project, and $49,000 for a water distribution system in Yorktown, Virginia. Preliminary planning documentation and outlay projections have been completed on all eight shore infrastructure projects.

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

---

[67] *Id.* Title VI.
[68] *Id.* § 1512.

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.[69]

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.[70]

Recovery Act Implementation: Contracts have been awarded and construction has begun on three of the four planned bridge projects totaling $82 million, representing 60 percent of the available funds. These three bridges include the Burlington Bridge project over the Mississippi River in Iowa, the Mobile Bridge project over the Mobile River in Hurricane, Alabama, and the Elgin, Joliet, and Eastern Railway Co. Bridge project over the Illinois Waterway in Divine, Illinois.[71]

With regard to the Galveston Bridge Project over the Intercoastal Waterway in Texas, the Coast Guard received bids and held a public bid opening. The contract should be awarded by mid-October 2009.

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

---

[69] *Id.* Title VI.
[70] *Id.* § 1512.
[71] Prior to contract awards and construction beginning, the Coast Guard completed bid documents, advertised bid solicitations, and held pre-bid meetings for each bridge project.

MARITIME ADMINISTRATION
SMALL SHIPYARD GRANTS – $100 MILLION

Recovery Act: 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.

Distribution: 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.

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

Transparency and Accountability Requirements: 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.[72]

Recovery Act Implementation: On August 18, 2009, the Maritime Administration awarded 70 grants totaling $98 million for small shipyard projects in 26 States and Guam. Prior to awarding these grants, the Maritime Administration solicited applications until the April 20, 2009 application deadline. The Maritime Administration received 454 grant applications totaling $1.25 billion.

---

[72] *Id.* § 1512.

<u>Economic Impact</u>: 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 August 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 (Full-Time-Equivalent Job Months)*	Total Job Hours Created or Sustained	Total Payroll of Job Hours Created or Sustained
Alabama														
Clean Water State Revolving Fund	$43,821,558	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$513,692,083	$363,178,822	$17,396,598	93	$343,596,830	65	$204,048,240	54	$143,365,638	1	$1,231,293	414	71,788	$1,129,629
Transit Capital Assistance	$40,591,278	$12,928,245	$0	8	$13,515,571	5	$4,233,314	4	$396,504	1	$235,221	1	259	$7,725
Total	$598,104,919	$376,107,067	$17,396,598	101	$357,112,401	70	$208,281,554	58	$143,762,142	2	$1,466,514	415	72,047	$1,137,354
Alaska														
Clean Water State Revolving Fund	$23,454,981	$204,623	$14,548	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$175,461,487	$110,245,341	$20,360,873	14	$69,936,933	12	$65,996,945	9	$59,277,485	0	$0	349	60,497	$2,816,360
Transit Capital Assistance	$40,869,479	$31,961,269	$8,306,332	7	$10,190,915	10	$15,480,730	10	$14,914,928	0	$0	26	4,558	$891,407
Total	$239,785,947	$142,411,233	$28,681,753	21	$80,127,848	22	$81,477,675	19	$74,192,413	0	$0	375	65,055	$3,707,767
American Samoa														
Clean Water State Revolving Fund	$3,354,000	$3,354,000	$0	0	$0	0	$0	0	$0	0	$0	0	25	$500
Highway Infrastructure Investment	$4,500,000	$4,400,000	$0	1	$4,400,000	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$341,099	$341,099	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$8,195,099	$8,095,099	$0	1	$4,400,000	0	$0	0	$0	0	$0	0	25	$500
Arizona														
Clean Water State Revolving Fund	$26,469,630	$23,506,412	$3,089,488	14	$23,506,412	14	$23,506,412	12	$22,192,412	0	$0	381	66,005	$1,840,602
Fixed Guideway	$640,070	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$521,958,401	$302,516,358	$17,656,077	132	$222,108,107	121	$157,616,107	107	$139,362,457	0	$0	1,252	216,944	$5,182,676
Transit Capital Assistance	$101,255,480	$27,561,203	$0	7	$32,921,217	7	$32,921,217	7	$32,921,217	0	$0	0	0	$0
Total	$650,323,581	$353,583,973	$20,745,565	153	$278,535,736	142	$214,043,736	126	$194,476,086	0	$0	1,633	282,949	$7,023,278
Arkansas														
Clean Water State Revolving Fund	$25,636,545	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$351,544,468	$180,078,223	$35,153,528	69	$144,301,828	69	$144,301,828	62	$103,837,755	33	$27,979,117	1,035	179,462	$3,308,010
Transit Capital Assistance	$20,573,849	$18,612,944	$1,132,386	16	$9,092,882	14	$7,691,977	14	$7,691,977	1	$20,000	9	1,600	$32,000
Total	$397,754,862	$198,691,167	$36,285,914	85	$153,394,710	83	$151,993,805	76	$111,529,732	34	$27,999,117	1,044	181,062	$3,340,010
California														
Clean Water State Revolving Fund	$280,285,335	$190,248,535	$9,774,683	72	$190,248,535	72	$190,248,535	9	$67,161,566	0	$0	1,691	293,067	$10,483,478
Fixed Guideway	$66,171,889	$63,214,610	$86,056	8	$60,265,270	4	$26,816,402	9	$53,211,525	0	$0	6	979	$85,753
Highway Infrastructure Investment	$2,569,568,320	$1,976,175,637	$30,949,497	354	$1,944,432,622	111	$1,217,925,270	111	$1,217,925,270	4	$4,114,022	1,872	324,484	$24,717,580
Transit Capital Assistance	$799,502,101	$732,932,589	$77,797,663	203	$432,430,936	188	$693,185,383	193	$435,586,276	86	$14,877,339	10,272	1,780,554	$57,768,844
Total	$3,715,527,645	$2,962,571,371	$118,607,899	637	$2,627,377,363	375	$2,128,175,590	322	$1,773,884,637	90	$18,991,361	13,841	2,399,084	$93,055,655
Colorado														
Clean Water State Revolving Fund	$31,348,152	$18,199,836	$0	12	$30,093,792	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$753,399	$753,399	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$403,924,130	$248,790,848	$16,455,759	58	$244,880,201	40	$198,782,613	36	$187,756,588	0	$0	1,114	193,168	$4,748,257
Transit Capital Assistance	$121,307,240	$112,480,683	$53,135	29	$40,475,334	14	$42,633,294	10	$26,259,005	2	$66,664	101	17,508	$283,162
Total	$557,332,921	$380,224,766	$16,508,894	99	$315,449,327	54	$241,415,907	46	$214,015,593	2	$66,664	1,215	210,676	$5,031,419

*Consistent with the U.S. Department of Transportation's reporting requirements, this figure is based on direct, on-project full-time-equivalent (FTE) job months. FTE job months are calculated by dividing cumulative job hours created or sustained by 173 hours (40 hours per week times 52 weeks divided by 12 months = 173 hours).
For a State/Territory where no row lists the Clean Water State Revolving Fund program, the State/Territory did not report to the T&I Committee. For a Territory where no row lists the Transit Capital Assistance program, the Territory and/or transit grant recipient did not report to the T&I Committee.
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 (Full-Time-Equivalent Job Months)*	Total Job Hours Created or Sustained	Total Payroll of Job Hours Created or Sustained
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	$32,030,396	$0	2	$27,030,396	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$302,053,956	$196,417,578	$3,130,342	36	$187,194,398	26	$172,686,798	12	$97,899,307	0	$0	124	21,437	$707,620
Transit Capital Assistance	$117,967,245	$114,735,745	$0	4	$76,927,665	1	$2,629,951	0	$0	0	$0	0	0	$0
Total	$500,061,897	$343,183,719	$3,130,342	42	$291,152,459	27	$175,316,749	12	$97,899,307	0	$0	124	21,437	$707,620
Delaware														
Clean Water State Revolving Fund	$19,239,066	$1,500,000	$30,833	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$121,828,650	$55,760,647	$3,246,925	29	$46,959,406	27	$46,959,406	23	$19,250,611	1	$169,521	410	71,053	$1,647,342
Transit Capital Assistance	$19,000,000	$1,886,750	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$160,067,716	$59,147,397	$3,277,758	29	$46,959,406	27	$46,959,406	23	$19,250,611	1	$169,521	410	71,053	$1,647,342
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	$13,888,380	$17,749,826	$1,185,041	6	$17,000,000	5	$10,530,000	4	$9,530,000	0	$0	10	1,650	$67,692
Highway Infrastructure Investment	$123,507,842	$116,742,908	$465,956	9	$101,009,328	4	$18,201,615	3	$9,870,806	1	$1,000,000	52	9,094	$206,895
Transit Capital Assistance	$184,083,396	$182,478,396	$1,049,267	22	$174,834,222	9	$84,990,722	9	$84,990,722	0	$0	4	611	$22,652
Total	$340,718,684	$316,971,130	$2,700,264	37	$292,843,550	18	$113,722,337	16	$104,391,528	1	$1,000,000	66	11,355	$297,239
Florida														
Clean Water State Revolving Fund	$132,286,374	$83,819,438	$1,078,798	25	$124,322,718	8	$48,092,810	8	$38,092,810	0	$0	161	27,964	$490,647
Fixed Guideway	$5,410,766	$2,913,651	$0	1	$0	1	$31,550	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$1,346,735,003	$999,182,959	$1,264,346	284	$1,146,791,047	144	$426,497,063	77	$220,489,864	0	$0	102	17,758	$490,583
Transit Capital Assistance	$237,808,194	$127,401,408	$18,864,986	133	$59,838,062	117	$52,081,309	98	$38,667,709	20	$1,815,176	359	62,285	$2,392,651
Total	$1,722,240,337	$1,213,317,456	$21,208,130	443	$1,330,951,827	270	$526,702,734	183	$297,250,383	20	$1,815,176	622	108,007	$3,373,881
Georgia														
Clean Water State Revolving Fund	$66,261,294	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$7,380,854	$7,380,854	$0	1	$7,380,854	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$931,585,680	$593,189,542	$14,991,798	147	$465,410,471	113	$317,978,964	97	$261,313,331	0	$0	681	117,964	$1,895,125
Transit Capital Assistance	$101,012,647	$91,925,695	$12,695,874	8	$42,638,375	5	$14,057,868	3	$26,367,287	0	$0	2,231	386,622	$12,695,874
Total	$1,106,240,475	$692,496,091	$27,687,672	156	$515,429,700	118	$332,036,832	100	$287,680,618	0	$0	2,912	504,586	$14,590,999
Guam														
Highway Infrastructure Investment	$18,000,000	$18,000,000	$0	5	$18,000,000	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$921,976	$921,976	$0	0	$0	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	$30,352,311	$0	$0	3	$15,961,950	2	$8,523,875	0	$0	0	$0	0	0	$0
Fixed Guideway	$254,793	$254,793	$0	1	$254,793	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$125,746,380	$54,407,232	$109,713	11	$51,950,517	9	$43,256,130	8	$34,981,978	0	$0	12	2,025	$85,578
Transit Capital Assistance	$43,582,493	$43,582,493	$0	4	$22,278,552	2	$1,955,623	2	$977,811	0	$0	1	110	$0
Total	$199,935,977	$98,244,518	$109,713	19	$90,445,812	13	$53,735,628	10	$35,959,789	0	$0	13	2,135	$85,578
Idaho														
Clean Water State Revolving Fund	$19,239,066	$5,836,550	$0	1	$1,395,149	1	$1,395,149	1	$1,395,149	0	$0	16	2,788	$57,287
Highway Infrastructure Investment	$181,934,631	$123,488,393	$6,696,681	10	$119,767,980	9	$119,767,980	9	$119,767,980	0	$0	277	48,025	$1,385,650
Transit Capital Assistance	$29,905,867	$28,364,067	$8,669	1	$180,000	1	$40,000	1	$40,000	0	$0	2	369	$40,000
Total	$231,079,564	$157,689,010	$6,705,350	12	$121,343,129	11	$121,203,129	11	$121,203,129	0	$0	295	51,182	$1,482,937

*Consistent with the U.S. Department of Transportation's reporting requirements, this figure is based on direct, on-project full-time-equivalent (FTE) job months. FTE job months are calculated by dividing cumulative job hours created or sustained by 173 hours (40 hours per week times 52 weeks divided by 12 months = 173 hours).

For a State/Territory where no row lists the Clean Water State Revolving Fund program, the State/Territory did not report to the T&I Committee. For a Territory where no row lists the Transit Capital Assistance program, the Territory and/or transit grant recipient did not report to the T&I Committee.

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 (Full-Time-Equivalent Job Months)*	Total Job Hours Created or Sustained	Total Payroll of Job Hours Created or Sustained
Illinois														
Clean Water State Revolving Fund	$177,243,066	$29,348,080	$296,947	28	$94,693,047	6	$18,243,063	5	$18,026,016	0	$0	48	8,242	$409,359
Fixed Guideway	$96,088,797	$55,209,245	$32,866,795	9	$95,534,850	6	$55,209,245	6	$55,209,245	1	$25,200,000	4,247	736,098	$30,240,773
Highway Infrastructure Investment	$935,592,704	$735,511,185	$200,172,755	418	$798,304,290	288	$573,801,150	233	$508,532,774	69	$108,930,852	4,874	844,830	$30,637,058
Transit Capital Assistance	$365,568,604	$334,014,789	$81,339,751	22	$324,053,869	30	$329,151,863	14	$238,164,623	1	$50,000,000	9,046	1,567,922	$78,680,619
Total	$1,574,493,171	$1,154,083,299	$314,676,248	477	$1,312,586,056	330	$976,405,321	258	$819,932,658	71	$184,130,852	18,215	3,157,092	$139,967,809
Indiana														
Clean Water State Revolving Fund	$94,447,485	$24,417,800	$6,489,074	13	$20,417,800	8	$12,324,800	8	$12,324,800	0	$0	167	28,905	$151,882
Fixed Guideway	$5,858,540	$6,412,487	$36,911	1	$6,412,487	1	$6,412,487	1	$6,412,487	0	$0	5	879	$70,427
Highway Infrastructure Investment	$657,967,707	$451,905,792	$64,541,962	473	$366,298,497	349	$336,913,400	259	$303,523,073	6	$2,636,486	2,297	398,097	$14,169,475
Transit Capital Assistance	$77,574,377	$56,073,349	$11,742,330	26	$38,590,522	33	$48,494,725	26	$171,437,176	13	$597,878	1,057	183,255	$4,125,228
Total	$835,848,109	$538,809,428	$82,810,277	513	$431,719,306	391	$404,145,412	294	$493,697,536	19	$3,234,364	3,526	611,136	$18,517,012
Iowa														
Clean Water State Revolving Fund	$53,040,042	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$358,162,431	$356,396,169	$90,825,630	186	$316,450,193	177	$313,179,730	161	$302,068,729	14	$8,635,223	3,425	593,608	$15,491,639
Transit Capital Assistance	$35,185,166	$32,575,166	$1,864,966	84	$29,278,543	82	$28,269,480	14	$5,689,761	0	$0	20	3,468	$80,260
Total	$446,387,639	$388,971,335	$92,690,596	270	$345,728,736	259	$341,449,210	175	$307,758,490	14	$8,635,223	3,445	597,076	$15,571,899
Kansas														
Clean Water State Revolving Fund	$35,374,185	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$347,817,167	$219,528,343	$11,608,149	42	$219,465,343	28	$211,568,200	13	$205,256,083	0	$0	495	85,829	$2,062,408
Transit Capital Assistance	$17,685,880	$13,133,703	$203,562	11	$6,378,576	5	$1,234,295	4	$334,576	2	$203,562	0	0	$0
Total	$400,877,232	$232,662,046	$11,811,711	53	$225,843,919	33	$212,802,495	17	$205,590,659	2	$203,562	495	85,829	$2,062,408
Kentucky														
Clean Water State Revolving Fund	$49,878,081	$19,178,246	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$421,094,991	$288,465,882	$27,796,624	25	$279,230,532	24	$278,923,909	21	$255,133,909	0	$0	745	129,088	$3,643,215
Transit Capital Assistance	$49,375,837	$45,365,491	$3,691,620	71	$28,929,223	46	$25,569,909	44	$19,158,465	1	$90,000	257	44,518	$1,533,427
Total	$520,348,909	$353,009,619	$31,488,244	96	$308,159,755	70	$304,493,818	65	$274,292,374	1	$90,000	1,002	173,606	$5,176,642
Louisiana														
Clean Water State Revolving Fund	$43,081,434	$0	$0	6	$8,775,035	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$2,425,343	$2,425,300	$2,425,300	2	$2,414,305	2	$2,414,305	2	$2,414,305	0	$0	0	0	$0
Highway Infrastructure Investment	$429,859,427	$333,192,486	$4,275,367	48	$227,640,960	39	$194,276,738	16	$143,487,266	0	$0	257	44,524	$1,397,897
Transit Capital Assistance	$41,497,999	$26,181,632	$10,388,409	48	$14,916,437	73	$11,486,119	66	$7,024,308	36	$6,486,181	1,636	283,550	$2,917,631
Total	$516,864,203	$361,799,418	$17,089,076	104	$253,746,737	114	$208,177,162	84	$152,925,879	36	$6,486,181	1,893	328,074	$4,315,528
Maine														
Clean Water State Revolving Fund	$30,336,768	$23,107,741	$0	32	$23,793,120	25	$22,607,741	25	$1,610,520	2	$0	144	24,972	$390,915
Highway Infrastructure Investment	$130,752,032	$130,752,032	$59,807,680	71	$130,777,560	69	$121,104,572	60	$87,495,408	6	$4,555,711	1,773	307,264	$7,861,139
Transit Capital Assistance	$13,266,105	$13,266,105	$0	3	$13,266,105	2	$651,320	1	$0	0	$0	0	0	$0
Total	$174,354,905	$167,125,878	$59,807,680	106	$167,836,785	96	$144,363,633	86	$89,105,928	8	$4,555,711	1,917	332,236	$8,252,054
Maryland														
Clean Water State Revolving Fund	$94,784,580	$5,045,000	$0	63	$75,339,600	8	$17,445,000	8	$17,445,000	0	$0	12	2,159	$51,534
Fixed Guideway	$15,263,694	$15,176,485	$481,654	4	$9,176,485	3	$6,377,914	1	$400,000	1	$400,000	27	4,695	$160,985
Highway Infrastructure Investment	$431,034,777	$284,681,314	$20,758,452	109	$318,908,424	92	$257,337,823	85	$243,564,793	3	$4,427,191	807	139,962	$2,796,559
Transit Capital Assistance	$119,406,194	$110,234,914	$0	23	$89,231,675	32	$85,881,996	9	$42,195,168	2	$194,168	312	54,119	$1,587,637
Total	$660,491,245	$415,137,713	$21,240,106	199	$492,656,184	135	$367,042,733	103	$303,604,961	6	$5,021,359	1,158	200,935	$4,596,715

*Consistent with the U.S. Department of Transportation's reporting requirements, this figure is based on direct, on-project full-time-equivalent (FTE) job months. FTE job months are calculated by dividing cumulative job hours created or sustained by 173 hours (40 hours per week times 52 weeks divided by 12 months = 173 hours).

For a State/Territory where no row lists the Clean Water State Revolving Fund program, the State/Territory did not report to the T&I Committee. For a Territory where no row lists the Transit Capital Assistance program, the Territory and/or transit grant recipient did not report to the T&I Committee.

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 (Full-Time-Equivalent Job Months)*	Total Job Hours Created or Sustained	Total Payroll of Job Hours Created or Sustained
Massachusetts														
Clean Water State Revolving Fund	$133,057,188	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$52,362,925	$51,513,648	$0	2	$176,800	1	$99,800	1	$99,800	0	$0	0	0	$0
Highway Infrastructure Investment	$437,865,255	$199,795,062	$0	37	$194,572,103	28	$98,828,811	28	$98,828,811	0	$0	315	54,620	$3,241,876
Transit Capital Assistance	$238,806,057	$163,874,526	$478,143	65	$43,203,288	45	$35,229,549	39	$20,304,806	11	$571,308	18	3,085	$217,425
Total	$862,091,425	$415,183,236	$478,143	104	$237,952,191	74	$134,158,160	68	$119,233,417	11	$571,308	333	57,705	$3,459,301
Michigan														
Clean Water State Revolving Fund	$168,508,989	$78,857,000	$11,553,273	40	$78,657,000	15	$42,997,000	15	$42,997,000	0	$0	286	49,535	$1,340,857
Highway Infrastructure Investment	$847,204,834	$575,289,122	$53,290,355	288	$545,106,322	240	$330,814,052	119	$290,517,266	51	$77,133,730	1,498	259,697	$7,867,568
Transit Capital Assistance	$134,510,659	$72,855,985	$5,306,873	44	$62,323,083	32	$19,136,570	17	$11,791,062	5	$777,730	771	133,713	$2,868,067
Total	$1,150,224,482	$727,002,107	$70,150,501	372	$686,086,405	287	$392,947,622	151	$345,305,328	56	$77,911,460	2,555	442,945	$12,076,492
Minnesota														
Clean Water State Revolving Fund	$72,031,014	$70,346,672	$11,675,254	25	$79,682,760	22	$70,346,672	25	$79,682,760	0	$0	249	43,117	$1,722,573
Fixed Guideway	$1,851,573	$1,851,573	$0	1	$1,806,843	1	$1,806,843	1	$1,806,843	0	$0	0	0	$0
Highway Infrastructure Investment	$502,284,177	$351,828,936	$86,776,837	129	$346,424,905	114	$310,473,762	102	$241,907,657	24	$36,610,321	2,926	507,200	$16,442,058
Transit Capital Assistance	$92,241,542	$89,749,934	$513,956	72	$60,632,421	64	$58,622,690	67	$57,486,306	21	$668,473	2	410	$19,033
Total	$668,408,306	$513,777,115	$98,966,047	227	$488,546,929	201	$441,249,967	195	$380,883,566	45	$37,278,794	3,177	550,727	$18,183,664
Mississippi														
Highway Infrastructure Investment	$354,654,343	$292,327,821	$0	64	$268,362,548	57	$248,580,649	54	$243,933,019	0	$0	1,714	297,066	$4,254,823
Transit Capital Assistance	$20,300,000	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$374,954,343	$292,327,821	$0	64	$268,362,548	57	$248,580,649	54	$243,933,019	0	$0	1,714	297,066	$4,254,823
Missouri														
Clean Water State Revolving Fund	$108,641,808	$0	$0	4	$5,838,400	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$1,289,449	$1,289,449	$36,403	0	$0	0	$0	0	$0	0	$0	3	565	$31,063
Highway Infrastructure Investment	$637,121,984	$388,226,344	$61,747,005	157	$371,764,797	150	$320,961,250	137	$294,166,560	31	$15,043,308	1,172	203,063	$7,067,485
Transit Capital Assistance	$91,683,858	$82,323,650	$5,586,843	37	$25,294,301	34	$22,932,933	32	$17,216,838	2	$133,873	23	3,937	$194,908
Total	$838,737,099	$471,839,443	$67,370,251	198	$402,897,498	184	$343,894,183	169	$311,383,398	33	$15,177,181	1,198	207,565	$7,293,456
Montana														
Clean Water State Revolving Fund	$19,239,066	$2,269,564	$867,336	18	$12,059,000	9	$6,061,000	5	$5,311,000	1	$750,000	249	43,089	$1,362,021
Highway Infrastructure Investment	$211,793,391	$130,784,272	$15,480,024	59	$130,281,272	51	$98,755,172	49	$90,124,481	0	$0	763	132,335	$3,686,386
Transit Capital Assistance	$15,611,710	$15,611,710	$0	8	$3,663,622	4	$2,954,481	1	$1,223,603	0	$0	0	0	$0
Total	$246,644,167	$148,665,546	$16,347,360	85	$146,003,894	64	$107,770,653	55	$96,659,084	1	$750,000	1,012	175,424	$5,048,407
Nebraska														
Clean Water State Revolving Fund	$20,045,025	$15,964,500	$2,421,349	6	$8,612,500	6	$8,612,500	6	$8,612,500	1	$150,000	278	48,188	$0
Highway Infrastructure Investment	$235,589,279	$154,175,505	$25,061,186	42	$154,175,505	35	$128,989,979	34	$127,992,479	0	$0	1,081	187,383	$3,274,573
Transit Capital Assistance	$23,790,610	$15,944,144	$85,551	15	$11,469,522	6	$9,087,238	11	$8,921,422	8	$64,184	3	495	$21,882
Total	$279,424,914	$186,084,149	$27,568,086	63	$174,257,527	47	$146,689,717	51	$145,526,401	9	$214,184	1,362	236,066	$3,296,455
Nevada														
Clean Water State Revolving Fund	$19,239,066	$9,658,967	$191,582	4	$4,211,747	4	$4,211,747	4	$4,211,747	0	$0	19	3,352	$0
Highway Infrastructure Investment	$201,352,460	$85,117,529	$1,597,152	16	$83,542,529	13	$68,615,598	10	$50,314,488	0	$0	195	33,768	$1,268,695
Transit Capital Assistance	$49,463,770	$39,506,710	$0	17	$22,152,579	17	$22,152,579	4	$18,566,520	0	$0	142	24,553	$1,285,270
Total	$270,055,296	$134,283,206	$1,788,734	37	$109,906,855	34	$94,979,924	18	$73,092,755	0	$0	356	61,673	$2,553,965

*Consistent with the U.S. Department of Transportation's reporting requirements, this figure is based on direct, on-project full-time-equivalent (FTE) job months. FTE job months are calculated by dividing cumulative job hours created or sustained by 173 hours (40 hours per week times 52 weeks divided by 12 months = 173 hours).

For a State/Territory where no row lists the Clean Water State Revolving Fund program, the State/Territory did not report to the T&I Committee. For a Territory where no row lists the Transit Capital Assistance program, the Territory and/or transit grant recipient did not report to the T&I Committee.

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 (Full-Time-Equivalent Job Months)*	Total Job Hours Created or Sustained	Total Payroll of Job Hours Created or Sustained
New Hampshire														
Clean Water State Revolving Fund	$39,163,905	$29,129,203	$0	12	$11,259,858	3	$1,527,750	3	$1,527,750	1	$21,750	0	0	$0
Highway Infrastructure Investment	$129,440,556	$123,675,043	$18,939,608	26	$122,606,715	22	$101,810,828	20	$100,915,248	1	$7,817,109	709	122,853	$2,624,220
Transit Capital Assistance	$16,745,804	$13,092,542	$256,208	30	$9,387,630	18	$8,548,398	18	$6,923,543	10	$196,819	38	6,641	$136,958
Total	$185,350,265	$165,896,788	$19,195,816	68	$143,254,203	43	$111,886,976	41	$109,366,541	12	$8,035,678	747	129,494	$2,761,178
New Jersey														
Clean Water State Revolving Fund	$160,146,835	$0	$0	19	$123,542,298	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$76,835,714	$66,600,791	$28,277,000	2	$22,276,571	2	$22,276,571	2	$51,601,000	0	$0	2,330	403,943	$10,252,073
Highway Infrastructure Investment	$631,774,480	$467,513,307	$3,957,839	48	$455,017,547	44	$435,052,423	38	$367,234,512	0	$0	443	76,851	$3,166,686
Transit Capital Assistance	$362,435,313	$303,541,676	$36,383,000	12	$301,935,313	7	$194,797,313	7	$224,203,000	0	$0	1,980	343,153	$8,709,223
Total	$1,251,192,362	$837,655,774	$68,617,839	81	$902,771,729	53	$652,126,307	47	$643,038,512	0	$0	4,753	823,947	$22,127,982
New Mexico														
Clean Water State Revolving Fund	$19,239,066	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$252,644,377	$157,393,729	$0	10	$157,393,729	8	$118,400,000	7	$104,400,000	0	$0	330	57,166	$1,067,883
Transit Capital Assistance	$27,518,452	$25,804,541	$1,030,000	1	$9,808,245	32	$15,594,358	2	$3,178,062	0	$0	0	0	$0
Total	$299,401,895	$183,198,270	$1,030,000	11	$167,201,974	40	$133,994,358	9	$107,578,062	0	$0	330	57,166	$1,067,883
New York														
Clean Water State Revolving Fund	$432,563,967	$64,287,261	$567,283	6	$27,259,305	5	$25,446,931	4	$22,874,431	0	$0	89	15,416	$278,717
Fixed Guideway	$254,817,805	$254,817,807	$243,677	12	$254,819,946	11	$217,217,861	4	$169,050,000	0	$0	62	10,710	$0
Highway Infrastructure Investment	$1,120,684,723	$958,295,631	$23,320,777	328	$782,496,204	201	$390,617,162	190	$335,043,944	3	$2,580,514	1,378	238,922	$7,921,585
Transit Capital Assistance	$1,191,202,617	$974,150,020	$4,943,320	47	$943,263,198	39	$617,977,256	14	$259,391,358	2	$50,000	423	73,278	$3,173,869
Total	$2,999,269,112	$2,251,550,719	$29,075,057	393	$2,007,838,653	256	$1,251,259,210	212	$786,359,733	5	$2,630,514	1,952	338,326	$11,374,171
North Carolina														
Highway Infrastructure Investment	$735,526,684	$468,228,938	$42,218,076	101	$386,464,490	88	$348,369,305	77	$329,807,436	1	$493,920	2,095	363,187	$6,264,397
Transit Capital Assistance	$94,063,199	$34,579,728	$2,564,923	9	$15,051,853	6	$5,921,853	5	$2,725,776	1	$84,157	116	20,179	$355,356
Total	$829,589,883	$502,808,666	$44,782,999	110	$401,516,343	94	$354,291,158	82	$332,533,212	2	$578,077	2,211	383,366	$6,619,753
North Dakota														
Highway Infrastructure Investment	$170,126,497	$92,655,656	$28,519,949	97	$92,565,287	91	$91,291,813	61	$70,919,604	0	$0	1,391	241,074	$4,727,073
Transit Capital Assistance	$10,997,089	$5,040,826	$56,673	12	$4,963,794	8	$3,732,227	6	$2,375,074	1	$34,401	0	24	$1,663
Total	$181,123,586	$97,696,482	$28,576,622	109	$97,529,081	99	$95,024,040	67	$73,294,678	1	$34,401	1,391	241,098	$4,728,736
Northern Marianas														
Highway Infrastructure Investment	$4,500,000	$4,500,000	$0	1	$4,500,000	1	$4,500,000	1	$4,500,000	0	$0	0	0	$0
Total	$4,500,000	$450,000	$0	1	$0	0	$0	1	$0	0	$0	0	0	$0
Ohio														
Clean Water State Revolving Fund	$220,623,381	$34,877,984	$0	0	$0	15	$21,542,037	14	$20,612,958	0	$0	0	0	$0
Fixed Guideway	$12,772,779	$10,160,215	$0	6	$9,938,722	6	$8,664,372	6	$8,541,955	0	$0	29	5,095	$180,939
Highway Infrastructure Investment	$935,677,030	$429,210,383	$19,684,117	193	$429,210,383	135	$361,859,201	135	$361,859,201	6	$5,565,887	805	139,461	$4,705,145
Transit Capital Assistance	$164,269,076	$132,706,246	$23,465,933	253	$104,853,781	222	$79,239,035	90	$51,412,098	13	$12,774,772	979	169,665	$3,354,720
Total	$1,333,342,266	$606,954,828	$43,150,050	452	$544,002,886	378	$471,304,645	245	$442,426,212	19	$18,340,659	1,813	314,221	$8,240,804
Oklahoma														
Clean Water State Revolving Fund	$51,662,081	$4,192,696	$1,118,693	12	$9,358,696	8	$6,387,696	5	$4,192,696	0	$0	57	9,900	$146,662
Highway Infrastructure Investment	$464,655,225	$407,285,226	$115,856,625	157	$403,210,152	150	$396,915,015	108	$357,431,057	8	$14,353,300	2,828	490,237	$8,721,675
Transit Capital Assistance	$35,798,236	$14,924,921	$134,592	5	$5,224,689	4	$5,144,689	4	$5,144,689	0	$0	68	11,742	$251,093
Total	$552,115,542	$426,402,843	$117,109,910	174	$417,793,537	162	$408,447,400	117	$366,768,442	8	$14,353,300	2,953	511,879	$9,119,430

*Consistent with the U.S. Department of Transportation's reporting requirements, this figure is based on direct, on-project full-time-equivalent (FTE) job months. FTE job months are calculated by dividing cumulative job hours created or sustained by 173 hours (40 hours per week times 52 weeks divided by 12 months = 173 hours).
For a State/Territory where no row lists the Clean Water State Revolving Fund program, the State/Territory did not report to the T&I Committee. For a Territory where no row lists the Transit Capital Assistance program, the Territory and/or transit grant recipient did not report to the T&I Committee.
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 (Full-Time-Equivalent Job Months)*	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	$1,125,728	$1,125,728	0	$0	0	$0	1	$1,125,728	1	$1,125,728	11	1,872	$46,201
Highway Infrastructure Investment	$333,902,389	$199,952,193	$27,642,054	143	$163,491,154	142	$163,096,220	132	$160,891,542	36	$4,078,416	1,479	256,377	$9,478,208
Transit Capital Assistance	$89,224,544	$76,182,679	$15,589,089	34	$56,268,978	32	$50,517,499	30	$47,847,178	1	$75,000	227	39,286	$2,137,168
Total	$468,523,679	$277,260,600	$44,356,871	177	$219,760,132	174	$213,613,719	163	$209,864,448	38	$5,279,144	1,717	297,535	$11,661,577
Pennsylvania														
Clean Water State Revolving Fund	$155,237,544	$176,727,530	$3,606,686	55	$125,876,091	18	$62,310,397	14	$61,981,617	0	$0	192	33,233	$427,874
Fixed Guideway	$80,303,844	$67,987,949	$4,653,475	10	$80,850,506	8	$68,284,206	8	$68,284,206	0	$0	165	28,559	$501,376
Highway Infrastructure Investment	$1,026,429,012	$888,742,283	$103,915,997	274	$975,193,890	230	$705,216,862	219	$644,491,638	18	$15,857,616	3,363	582,923	$17,028,573
Transit Capital Assistance	$260,436,269	$185,103,999	$7,776,113	58	$187,980,389	43	$168,496,005	32	$168,428,475	3	$1,269,616	248	42,951	$1,164,869
Total	$1,522,406,669	$1,318,561,761	$119,952,271	397	$1,369,900,876	299	$1,004,307,470	273	$943,185,936	21	$17,127,232	3,968	687,666	$19,122,692
Puerto Rico														
Highway Infrastructure Investment	$105,000,000	$78,699,027	$0	14	$78,133,347	4	$16,058,290	4	$16,058,290	0	$0	42	7,343	$79,256
Transit Capital Assistance	$64,445,095	$0	$0	6	$22,500,000	0	$0	0	$0	0	$0	0	0	$0
Total	$169,445,095	$78,699,027	$0	20	$100,633,347	4	$16,058,290	4	$16,058,290	0	$0	42	7,343	$79,256
Rhode Island														
Clean Water State Revolving Fund	$26,314,596	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$63,943	$460,000	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$137,095,725	$113,599,727	$17,691,861	45	$106,866,619	35	$71,946,429	32	$66,893,719	0	$0	504	87,385	$2,440,327
Transit Capital Assistance	$38,001,658	$24,906,000	$0	4	$24,906,000	1	$2,100,000	1	$2,100,000	0	$0	0	0	$0
Total	$201,475,922	$138,965,727	$17,691,861	49	$131,772,619	36	$74,046,429	33	$68,993,719	0	$0	504	87,385	$2,440,327
South Carolina														
Highway Infrastructure Investment	$463,081,483	$249,971,931	$5,908,000	100	$212,806,528	93	$187,762,551	46	$140,385,332	3	$864,519	47	8,231	$280,636
Transit Capital Assistance	$28,504,202	$19,517,573	$826,366	7	$8,128,926	9	$7,723,068	16	$9,407,361	0	$653,530	14	2,497	$57,672
Total	$491,585,685	$269,489,504	$6,734,366	107	$220,935,454	102	$195,485,619	62	$149,792,693	3	$1,518,049	62	10,728	$338,308
South Dakota														
Clean Water State Revolving Fund	$19,239,066	$18,469,536	$10,232	2	$517,129	2	$517,129	1	$398,129	0	$0	2	289	$14,808
Highway Infrastructure Investment	$183,027,359	$92,820,516	$43,534,256	17	$92,944,330	16	$91,176,745	15	$89,562,882	0	$0	1,345	233,057	$5,148,377
Transit Capital Assistance	$7,372,825	$6,642,706	$1,720,173	34	$3,151,380	32	$3,075,380	32	$3,075,380	23	$1,506,448	12	2,023	$36,849
Total	$209,639,250	$117,932,758	$45,264,661	53	$96,612,839	50	$94,769,254	48	$93,036,391	23	$1,506,448	1,359	235,369	$5,200,034
Tennessee														
Clean Water State Revolving Fund	$56,930,445	$43,042,750	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$28,040	$28,040	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$572,701,043	$469,998,511	$58,019,843	221	$468,516,512	215	$462,056,148	213	$460,284,696	0	$0	3,220	558,072	$10,032,125
Transit Capital Assistance	$73,216,802	$59,739,981	$137,046	25	$35,990,188	27	$28,058,268	23	$24,295,925	0	$0	8	1,421	$20,471
Total	$702,876,330	$572,809,282	$58,156,889	246	$504,506,700	242	$490,114,416	236	$484,580,621	0	$0	3,228	559,493	$10,052,596
Texas														
Clean Water State Revolving Fund	$179,122,284	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$2,609,607	$2,609,607	$0	0	$0	1	$300,940	1	$300,940	0	$0	33	5,640	$225,500
Highway Infrastructure Investment	$2,250,015,146	$1,201,987,023	$47,015,796	314	$1,128,799,037	282	$827,324,168	269	$546,479,547	31	$19,973,301	3,401	589,450	$9,488,374
Transit Capital Assistance	$432,430,426	$397,141,757	$146,981,923	112	$320,601,533	101	$288,240,923	95	$285,806,219	28	$98,037,074	12,709	2,202,818	$65,165,411
Total	$2,864,177,463	$1,601,738,387	$193,997,719	426	$1,449,400,570	384	$1,115,866,031	365	$832,586,706	59	$118,010,375	16,143	2,797,908	$74,879,285

*Consistent with the U.S. Department of Transportation's reporting requirements, this figure is based on direct, on-project full-time-equivalent (FTE) job months. FTE job months are calculated by dividing cumulative job hours created or sustained by 173 hours (40 hours per week times 52 weeks divided by 12 months = 173 hours).
For a State/Territory where no row lists the Clean Water State Revolving Fund program, the State/Territory did not report to the T&I Committee. For a Territory where no row lists the Transit Capital Assistance program, the Territory and/or transit grant recipient did not report to the T&I Committee.
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 (Full-Time-Equivalent Job Months)*	Total Job Hours Created or Sustained	Total Payroll of Job Hours Created or Sustained
Utah														
Clean Water State Revolving Fund	$20,650,014	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$213,545,653	$152,238,570	$38,380,724	80	$152,238,570	77	$150,538,569	76	$149,248,266	10	$9,464,677	929	161,080	$3,673,911
Transit Capital Assistance	$48,333,398	$42,626,563	$15,779,007	2	$5,706,835	6	$4,262,563	6	$42,626,563	2	$15,065,570	1,425	246,990	$5,976,193
Total	$282,529,065	$194,865,133	$54,159,731	82	$157,945,405	83	$154,801,132	82	$191,874,829	12	$24,530,247	2,354	408,070	$9,650,104
Vermont														
Clean Water State Revolving Fund	$19,239,066	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$125,791,291	$78,383,325	$29,690,504	29	$78,383,325	24	$68,133,748	24	$65,146,361	0	$0	1,218	211,084	$5,296,845
Transit Capital Assistance	$5,680,572	$5,352,066	$0	11	$5,352,066	10	$4,986,282	8	$3,244,558	0	$0	0	0	$0
Total	$150,710,929	$83,735,391	$29,690,504	40	$83,735,391	34	$73,120,030	32	$68,390,919	0	$0	1,218	211,084	$5,296,845
Virginia														
Clean Water State Revolving Fund	$80,203,266	$80,203,300	$26,954	32	$72,497,579	5	$7,590,574	0	$0	0	$0	0	0	$0
Fixed Guideway	$4,209,386	$437,148	$437,148	1	$437,148	1	$437,148	1	$437,148	1	$437,148	0	0	$0
Highway Infrastructure Investment	$694,460,823	$303,064,465	$4,243,835	37	$297,883,390	22	$131,833,684	16	$114,627,199	0	$0	362	62,829	$1,166,964
Transit Capital Assistance	$55,153,488	$55,153,488	$948,497	25	$15,386,800	13	$9,113,746	12	$13,778,082	0	$0	1,106	191,740	$4,295,539
Total	$834,026,963	$438,858,401	$5,656,434	95	$386,204,917	41	$148,975,152	29	$128,842,429	1	$437,148	1,468	254,569	$5,462,503
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 Investment	$18,000,000	$10,608,198	$0	4	$17,608,198	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$1,284,112	$1,284,112	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$21,344,112	$11,892,310	$0	4	$17,608,198	0	$0	0	$0	0	$0	0	0	$0
Washington														
Clean Water State Revolving Fund	$68,152,095	$22,974,618	$0	1	$22,974,618	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$6,699,276	$3,456,735	$2,047,006	1	$2,259,050	1	$2,047,006	8	$2,259,050	0	$0	99	17,230	$495,172
Highway Infrastructure Investment	$492,242,337	$370,264,746	$24,722,153	166	$339,815,289	149	$263,588,662	111	$213,400,599	21	$16,215,380	2,794	484,233	$18,194,246
Transit Capital Assistance	$168,681,185	$163,242,028	$42,267,606	32	$99,301,847	27	$120,262,212	29	$74,893,822	7	$38,444,702	5,352	927,676	$28,193,578
Total	$735,774,893	$559,938,127	$69,036,765	200	$464,350,804	177	$385,897,880	148	$290,553,471	28	$54,660,082	8,245	1,429,139	$46,882,996
West Virginia														
Clean Water State Revolving Fund	$61,092,108	$18,428,645	$1,061,990	30	$52,782,567	8	$18,428,645	6	$10,789,746	0	$0	144	24,892	$1,002,263
Fixed Guideway	$309,339	$309,339	$0	1	$309,339	1	$309,339	1	$309,339	0	$0	20	3,496	$90,352
Highway Infrastructure Investment	$210,852,204	$174,920,000	$16,585,506	87	$177,345,000	81	$147,593,000	60	$112,559,000	8	$10,115,000	267	46,250	$1,352,515
Transit Capital Assistance	$18,366,136	$13,935,378	$322,483	67	$9,664,634	80	$9,653,964	68	$6,889,546	12	$1,581,408	25	4,343	$52,092
Total	$290,619,787	$207,593,362	$17,969,979	185	$240,101,540	170	$175,984,948	135	$130,547,631	20	$11,696,408	456	78,981	$2,497,222
Wisconsin														
Clean Water State Revolving Fund	$105,948,315	$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 Investment	$529,111,915	$357,314,391	$43,605,998	212	$355,587,650	133	$355,291,690	108	$327,992,483	0	$0	1,852	320,981	$8,706,598
Transit Capital Assistance	$79,249,652	$30,841,503	$11,615,373	16	$38,555,919	11	$35,153,198	10	$26,368,617	0	$0	0	0	$0
Total	$714,553,114	$388,155,894	$55,221,371	229	$394,386,801	145	$390,688,120	118	$354,361,100	0	$0	1,852	320,981	$8,706,598
Wyoming														
Clean Water State Revolving Fund	$19,239,066	$19,239,100	$0	6	$7,074,121	4	$3,065,528	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$157,616,058	$156,316,058	$33,189,976	63	$155,911,058	59	$150,937,761	59	$150,937,761	0	$0	1,346	233,346	$5,017,218
Transit Capital Assistance	$9,300,399	$4,111,121	$0	17	$3,757,165	4	$3,267,579	4	$3,267,579	0	$0	3	531	$0
Total	$186,155,523	$179,666,279	$33,189,976	86	$166,742,344	67	$157,270,868	63	$154,205,340	0	$0	1,349	233,877	$5,017,218

*Consistent with the U.S. Department of Transportation's reporting requirements, this figure is based on direct, on-project full-time-equivalent (FTE) job months. FTE job months are calculated by dividing cumulative job hours created or sustained by 173 hours (40 hours per week times 52 weeks divided by 12 months = 173 hours).

For a State/Territory where no row lists the Clean Water State Revolving Fund program, the State/Territory did not report to the T&I Committee. For a Territory where no row lists the Transit Capital Assistance program, the Territory and/or transit grant recipient did not report to the T&I Committee.

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).

T&I Committee Transparency and Accountability Information by State 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 August 31, 2009)

Percentage of Allocated Funds Associated with Project Stages

Highways and Bridges

	Out to Bid	Under Contract	Underway	Average*	Average Rank
Wyoming	98.9%	95.8%	95.8%	96.6%	1
Iowa	88.4%	87.4%	84.3%	86.1%	2
New Hampshire	94.7%	78.7%	78.0%	82.3%	3
Maine	100.0%	92.6%	66.9%	81.6%	4
Oklahoma	86.8%	85.4%	76.9%	81.5%	5
Tennessee	81.8%	80.7%	80.4%	80.8%	6
Pennsylvania	95.0%	68.7%	62.8%	72.3%	7
Mississippi	75.7%	70.1%	68.8%	70.8%	8
Utah	71.3%	70.5%	69.9%	70.4%	9
Idaho	65.8%	65.8%	65.8%	65.8%	10
West Virginia	84.1%	70.0%	53.4%	65.2%	11
Wisconsin	67.2%	67.1%	62.0%	64.6%	12
Illinois	85.3%	61.3%	54.4%	63.8%	13
Kentucky	66.3%	66.2%	60.6%	63.4%	14
New Jersey	69.8%	66.7%	56.3%	62.3%	15
Maryland	74.0%	59.7%	56.5%	61.7%	16
Kansas	63.1%	60.8%	59.0%	60.5%	17
Nebraska	65.4%	54.8%	54.3%	57.2%	18
Rhode Island	78.0%	52.5%	48.8%	57.0%	19
Minnesota	69.0%	61.8%	48.2%	56.8%	20
Vermont	62.3%	54.2%	51.8%	55.0%	21
California	75.7%	47.4%	47.4%	54.5%	22
Washington	69.0%	53.5%	43.4%	52.3%	23
Colorado	60.6%	49.2%	46.5%	50.7%	24
Missouri	58.4%	50.4%	46.2%	50.3%	25
Indiana	55.7%	51.2%	46.1%	49.8%	26
South Dakota	50.8%	49.8%	48.9%	49.6%	27
Oregon	49.0%	48.8%	48.2%	48.5%	28
Montana	61.5%	46.6%	42.6%	48.3%	29
New Mexico	62.3%	46.9%	41.3%	48.0%	30
North Dakota	54.4%	53.7%	41.7%	47.9%	31
North Carolina	52.5%	47.4%	44.8%	47.4%	32
Connecticut	62.0%	57.2%	32.4%	46.0%	33
Michigan	64.3%	39.0%	34.3%	43.0%	34
Louisiana	53.0%	45.2%	33.4%	41.2%	35
New York	69.8%	34.9%	29.9%	41.1%	36
Alabama	66.9%	39.7%	27.9%	40.6%	37
Ohio	45.9%	38.7%	38.7%	40.5%	38
Florida	85.2%	31.7%	16.4%	37.4%	39
South Carolina	46.0%	40.5%	30.3%	36.8%	40
Alaska	39.9%	37.6%	33.8%	36.3%	41
Arkansas	41.0%	41.0%	29.5%	35.3%	42
Georgia	50.0%	34.1%	28.1%	35.0%	43
Texas	50.2%	36.8%	24.3%	33.9%	44
Hawaii	41.3%	34.4%	27.8%	32.8%	45
Arizona	42.6%	30.2%	26.7%	31.5%	46
Nevada	41.5%	34.1%	25.0%	31.4%	47
District of Columbia	81.8%	14.7%	8.0%	28.1%	48
Massachusetts	44.4%	22.6%	22.6%	28.0%	49
Delaware	38.5%	38.5%	15.8%	27.2%	50
Virginia	42.9%	19.0%	16.5%	23.7%	51
National	65.2%	48.9%	42.7%	49.9%	

* To calculate averages, the Committee gave one-fourth weight to the percentage of allocated funds associated with projects out to bid, one-fourth weight to the percentage of allocated funds associated with projects under contract, and one-half weight to the percentage of allocated funds associated with projects underway.

HEARING ON RECOVERY ACT: 225-DAY PROGRESS REPORT FOR TRANSPORTATION INFRASTRUCTURE INVESTMENT

Thursday, October 1, 2009

HOUSE OF REPRESENTATIVES
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
WASHINGTON, DC.

The Committee met, pursuant to call, at 9:40 a.m., in Room 2167, Rayburn House Office Building, the Honorable James Oberstar [Chairman of the Full Committee] presiding.

Mr. OBERSTAR. Good morning. The Committee on Transportation and Infrastructure will come to order, after a very long delay on the George Washington Parkway this morning. It is one of those moments when sitting in traffic and hearing the radio area traffic reports, and I was in the middle of the mess they were talking about. Usually they are talking about something somewhere else and it doesn't do you any good. Well, it didn't me any good either, just made me feel better that everybody else was suffering.

Mr. RAHALL. Where is your bicycle?

Mr. OBERSTAR. Where is my bicycle, Mr. Rahall wants to know. Yes, I could have pedaled in from our townhouse this morning. I could have pedaled in in less time than it took me to drive.

The investments under the Recovery Act have played a very significant role putting Americans back to work. Our Federal agencies, the States, whether it is the State Revolving Loan Funds, the Airport authorities, all have shown that they can deliver our funding and the projects that we created in our portion of the stimulus. They put people to work and do it within the tight time frames that we set forth in the Recovery Act. Although I must say that the time frames in the Act are looser than the ones that were reported from this Committee and that passed the House; we had a 90-day provision.

The photos you are seeing, especially this one here, is one I took with my BlackBerry on a project in Bemidji, Minnesota, where they are redoing an entire street and two and a half miles of road that goes through neighborhoods and concludes on the main street of Bemidji, and they are digging up 100-year-old water lines and 50-year-old sewer lines. In another slide you will see the pipe that was dug up, rusted, and the new pipe to go in, and all of that shows the jobs that have been created both onsite and in the supply chain providing materials for the projects.

Sixty-four percent at the end of August available formula funds for highway and transit projects have been put out to bid. Half of those were under contract. Forty-two percent were projects underway.

I committed at the outset of this legislation, in fact, going back to January of this year, that we would monitor, we would follow the progress and report on those that are successes and those that aren't, and lay it all out so that the public has a clear understanding, and this is the fifth in the series of our hearings.

Some critics of the Recovery Act complain about red tape obstructing quick and efficient use of funds. But apart from one—those pipes are also from the Bemidji project. Note the contrast of the old rusted pipe and the new pipe that will go in that will, because of its design and its coatings, both in and out, will last 75 to 100 years, while that pipe in the foreground is barely 50 years.

The State DOTs have known from the very outset that this program would entail projects that have been designed, engineered, in which right-of-way is acquired, EIS completed, down to final design and engineering; that all that was needed by the State was to get the funds and put the project out to bid. There was no additional paperwork to be done, no permits to be undertaken; all of that had already to have been completed.

There was one issue raised by an engineer in Indiana back in July. He said I have an engineer full-time and about all he is doing is red tape every day, filling out forms. Well, none of those forms were required by Federal Highway Administration; none of those forms were required by transit agency or any other Federal Government entity. Those were problems the county engineer had with his State DOT, and he will be on the witness panel later this morning to discuss his particular situation.

The time line has moved very smoothly. When a State selects a Recovery Act project, the Federal Highway Administration has approved the project within a day or two. Once that is done, the Federal role is complete; it is then up to the States and their local partners to put the funds to work. States, in most cases, have moved aggressively to advertise, sign contracts, begin construction. We will hear today from one State, Wyoming, that has put nearly all of its Recovery Act highway funds to work on the job site.

Just 10 days after the Recovery Act was signed, our Committee requested and insisted on transparency and accountability information directly from States, from the MPOs, from public transit agencies, and they have been reporting regularly to our Committee and we have been putting this information on the Web and making it publicly available and in our various hearings.

This is another Recovery Act project. Actually, this one happened to be in my district.

All in all, by the end of August, 8,000-plus highway and transit projects in all 50 States, territories, District of Columbia put out to bid, $22 billion, that is 64 percent of the total available formula funds for highway and transit; 6400-plus projects have actually been put under contract, and that totals $16.8 billion; work is underway on nearly 5300 projects in the States, the territories, and the District of Columbia totaling over $14 billion. Our most current report shows 122,000 direct on-project jobs. That is what we intended this project to do.

I have heard some complaints and there was a report in a major newspaper last week saying, well, these aren't the best projects, these aren't the big-time projects. That is not what we intended. The surface transportation authorization bill is going to do the big futuristic projects. These are the backlog projects that State DOTs have had on their books for years and every State DOT has told me and other Members of this Subcommittee, and said it publicly, if only we had the money, we would do these paving projects like the one in this photo here. And that is all that this was intended to do, put people to do, create jobs, take people off unemployment rolls; put them on payrolls; off unemployment checks, giving them paychecks. That is what this is all about.

The rest of my statement I will submit for the record. I just want to sum this whole thing up with an experience I had last August on one of these construction projects. The foreman called a truck over to the side. You have all seen them, those big bottom dump haul trucks, doing a mill and overlay. And the driver shut off the engine, jumped down and said, oh, Mr. Oberstar, thanks to you and the Congress, I am working.

Two months ago, my husband and I just finished dinner, we were sitting there looking at each other across the table asking where do we go now? Our unemployment compensation is gone; our health insurance has ended; we are drawing down what little we have in savings to pay the mortgage. How are we going to put the two boys into summer camp this year? Where do we go from here?

And then the next week our employer, Knife River Construction, called and said we won the bid for repaving of I-35; report to work next week. And now we are off our unemployment and we are now getting a paycheck; and we are now paying our mortgage; and we have paid taxes, our Federal and State taxes; and, yes, the boys are going to summer sports camp.

Real people, real jobs, real lives put back together.

Mr. Mica?

Mr. MICA. I thank you for yielding and also want to associate myself with your remarks. The most important thing we can do is get people working, and what a difference it does make in their lives.

I am so pleased to see Secretary, our former colleague, Mr. LaHood, with us today. He has certainly done a great job in trying to join us with our intent of getting funds out. And I know he has done everything possible, humanly possible and then some, to try to make certain that transportation infrastructure money gets out there and people are employed and we hear more of the stories like Mr. Oberstar just relayed to us.

Unfortunately, we still have problems in getting the money out, and this isn't something that should be a surprise. In fact, I had some CBO language or, actually, this particular article cites back some of CBO's projections. Unfortunately, when they told Mr. Oberstar and myself that there would be difficulty in getting that money out and that we would only be able to get out certain percentages, unfortunately, they were right, and have been right, because it is difficult.

I think when we passed at least our portion of the stimulus bill, and you have to remember, out of $787 billion, less than 7 percent was transportation and infrastructure-related, and of that, the Secretary, through DOT, has about $48 billion that he is responsible for, and we have tracked each of the agencies, and we tried to put in place protections to make certain the money was properly accounted for, and these hearings are something we also pledged to do to monitor how those funds are going out and keep good tabs, as trustees of the taxpayers' hard-earned dollars, where that money goes. So it has been a difficult process.

The Chairman also cited that all the problem in the delays is not the Federal Government, although I would like to do a lot more in expediting the red tape and the hoops and all the delays like the bridge in Minneapolis. I think normally that would have taken seven to eight years to replace. That was done in 437 days. So we can target projects and we can get people working in significant infrastructure investment projects, but we do have a ways to go.

Now, interestingly enough, when we started looking at the hearing today, we have the unemployment for the 10 States and the amount of infrastructure DOT spending, and I looked at this. This is the latest information. Remember, I do these charts. I did the chart, I think the first one, with the end of May statistics and I thought, well, let's see how our improvement is.

Now, some of these States have changed a bit as far as who has the highest unemployment, but most of them are still with high unemployment figures. And you can see Michigan up here now has 15.2 percent; at the end of May, the beginning of June, the unemployment was 14.1 percent. So it has actually risen with this amount of spending.

Actually, in every one of these, with the exception of South Carolina, unemployment has either risen—even with the stimulus money, unemployment has risen or remained the same in all of them except for South Carolina. South Carolina we spent the least amount of money, $6.9 million, and that is the only one where unemployment actually dropped. So I don't think this chart shows that what w e have invested has made—at least the transportation and infrastructure spending has made a difference in employment figures.

That does raise concerns, and maybe we should work together in targeting some of these high unemployment States. It is ironic the one that got the least amount of money had half a percentage decrease in unemployment. It doesn't quite make sense. So I think what we should do is look at targeting some of the high unemployment areas and see how we can work with them to do some Minneapolis bridge type projects, major infrastructure projects that we know are pending.

Now, my State has come a long way. And some of the assessment, too, has been critical of the way money has been spent. I had a hearing, too. My State was targeted for being 51st out of I think 51 States and the District of Columbia of getting the money out. But when we looked at how they were approaching it, it wasn't just short-term small projects, it was longer term investment, which is also important in that analysis.

But I do think we have an obligation to try to get, as the Chairman pointed out in his illustration of that one family, more of those families working so they are not losing their homes, they are not on unemployment, they are not losing their health insurance, they are able to send their kids to school and do the other things that they want to do.

So I look forward to working with the Administration. I think maybe we might want to look at targeting, see how we can get those bucks out there to the high unemployment areas and do an even better job. We do have that obligation and I look forward to working with you, Mr. Chairman, Mr. Secretary, and yield back.

Mr. OBERSTAR. Thank you, Mr. Mica.

Your charts are very interesting and yet I think while they raise a point, your advocacy for more investment in areas of greatest need is provided for and required in the Act, it was something that I particularly insisted on, even though, in the conference between the House and Senate, there was push-back from the other body. Our language in the House bill to require States to give highest priority consideration for allocation of highway, water resource funding, transit funding to areas of highest unemployment as measured by EDA, the Federal Economic Development Administration, remained in the bill.

In my State of Minnesota, 40 percent of the funds went to the areas of highest employment. Thirty-four percent of those are actually underway. In Florida, 35 percent of the State's $201 million allocated went to areas of highest unemployment. That, in fact, requirement is being carried out.

In our surface transportation authorization bill we are taking in serious account the Minneapolis bridge reconstruction that you frequently cited, the 437-day wonder, and our Office of Project Expediting in the Federal Highway Administration is going to take the lessons learned from the Minneapolis bridge and apply them nationally. But we have to move, and with that continued participation we are going to get there.

Mr. MICA. Mr. Chairman, will you just yield?

Mr. OBERSTAR. Yes, I yield to the gentleman.

Mr. MICA. A kind of sad day today. Today is the first day I can remember in 18 years that we have not had in place an extension of our highway reauthorization. I know we did 13 extensions, but we never missed the mark. I guess the other body had a bad night last night; the last email I got was 7:25, and they had reached an impasse. But hopefully we can get the reauthorization extension done. But this is the first time I ever remember, in my legislative career, a short 17 years, 18 years, of not having that done.

Mr. OBERSTAR. The Senate has had that bill for a week. They were unhappy that I pointed that out yesterday. And when the Chair of the Senate Committee, Ms. Boxer and Mr. Inhofe, tried to move their bill, a Member of the other party objected. I don't know who it was, but all it takes is one to object in that body and you are right, it is the first time in a long time we haven't been able to get an extension, although it is covered in the CR.

Do other Members wish to be heard?

Mr. RAHALL. Mr. Chairman?

Mr. OBERSTAR. Yes.

Mr. RAHALL. Mr. Chairman, I just ask unanimous consent that my opening statement be made part of the record so that we can proceed to the Secretary.

Mr. OBERSTAR. Without objection, so ordered.

Mr. RAHALL. I will be asking some questions in regard to the TIGER grants, the discretionary grant program. But I certainly want to welcome our dear friend and still dear colleague I like to call him, Ray LaHood, who I think has done an excellent job as our Secretary of Transportation. He certainly has reached across party lines, continued to reach across party lines, as he did while in this body, and certainly want to welcome Ray and thank him for the tremendous job he is doing for our Country.

Mr. OBERSTAR. Mrs. Miller?

Mrs. MILLER. Thank you for recognizing me, Mr. Chairman. I will just be one quick minute. But since Michigan was raised, if I could, we do have the highest unemployment in the Nation. In fact, in the four counties that I represent, the average unemployment rate is 19 percent. We do have a shovel-ready project immediately in Southeast Michigan, and I have talked to the Secretary about it and the Chairman and Ranking Member as well, and that is the Blue Water Bridge, which is shovel-ready.

And it is not like it is some local project, it is the second busiest commercial artery on the northern tier of our Nation. I have raised this issue with Prime Minister Harper, as well as the Chairman did, a week ago. We look at Canada as our biggest trading partner and their principal priority, really, is making sure that we continue to expedite the flow of goods between our two Nations. This is the genesis of I-94, and I-69 is right at the foot of that bridge. It is a major project, as I say, for all of the right reasons, and in that particular city the unemployment is 26 percent right now.

So I have to put a plug in for that because I think it is—I am not trying to hawk some local project. This is a huge project of national significance, shovel ready. I know you do have some discretionary funds in the stimulus funds and, Mr. Secretary, I would ask you to look at that again, if you would.

Thank you very much, Mr. Chairman.

Mr. OBERSTAR. Mr. Secretary, thank you for being with us. Thank you for your very thorough report, including the attachment, as we asked you to do, on projects in economically distressed areas. I would like to join Mr. Rahall in complimenting you in your service as Secretary. You learned well in this Committee. You didn't stay long enough, you went over to Appropriations, but you have done a superb job as Secretary

And I want to compliment you on your most recent initiative on using cell phones and texting while driving. You know, in the European Union, such activity is outlawed by their departments of transportation. In Portugal it is a crime to text while driving.

Thank you for your report. The floor is yours.

Mr. EHLERS. Mr. Chairman?

Mr. OBERSTAR. Oh, excuse me. Just a moment. Mr. Ehlers wishes to be recognized.

Mr. EHLERS. I apologize for being late, but I was in another meeting.

I just wanted to add to the comments that Congresswoman Miller made. First of all, I want to compliment you, Mr. Secretary. I have heard you on the radio. I don't have time to watch TV, but I have heard you on the radio more than any other Secretary. And

I am not saying that in a derogatory fashion; that just means you are getting out there to the public, and I think that is a very important role for any Secretary to have, to explain to the public what is going on and why it is going on, and I appreciate your active role in communicating to the people of this Country.

The other comment I want to make is we have people on our side of the aisle who are keeping a list of all the stupid things money is being spent for in the stimulus package, and I don't get into that game, but I do want to second what Congresswoman Miller has said. I really expected, when this all started, that a lot of the money would be going to shovel-ready projects.

And I have seen the list of shovel-ready projects. Not much money seems to be going there and a fair amount of money seems to be going to certainly less needed projects. And people wouldn't be able to keep these lists if it weren't going to less worthy projects. I am not talking so much about in your Department, but I think your Department doesn't seem to be getting the amount of money it needs to deal with all the shovel-ready projects that are sitting there, and you just heard one example this morning.

So I would hope that you can carry the message back to the other folks that you have a lot of work ready to go. Unemployment is huge in this Country, especially in Michigan. We are about 15.3 percent now, and we can put that money to work right away. So keep up the good job and carry the message back, please. Thank you.

Mr. OBERSTAR. Mr. Ehlers, for the record, and Mrs. Miller, according to the report that we have received, our most up to date report on projects in economically distressed areas, 90 percent of Michigan's population is recorded as being in an economically distressed areas, measured by EDA, according to the law that we passed; and 87 percent of the projects reported from the State of Michigan DOT have been designated to areas of high unemployment. If you take issue with that, then we will have to have Michigan DOT come in here and explain to us what they mean by those numbers, and we will do that.

Mr. EHLERS. Yes. And we met just a week or two ago with the Director of Transportation Department in Michigan and they are really getting the money out there and doing their best to do it. A big problem, of course, for the State, the whole State is so economically distressed that they don't have the matching money that is needed on a number of these projects.

Mr. OBERSTAR. That is another problem. We will expect to hear from Secretary LaHood about that.

Mr. EHLERS. Yes, right. So thank you for raising that issue. I am not economically distressed, but I am certainly mentally distressed at what I see in my State in terms of the problems of the people.

Mr. OBERSTAR. Mr. Secretary.

TESTIMONY OF THE HONORABLE RAY H. LAHOOD, SECRETARY, U.S. DEPARTMENT OF TRANSPORTATION

Secretary LAHOOD. Mr. Chairman, thank you for inviting me to participate in this hearing. It is good to be back with you and your colleagues, and good to be back at the Transportation Committee, where I started my congressional service. I want to talk about the progress in implementing the American Recovery and Reinvestment Act.

Last April I appeared before this Committee to share our initial efforts to get Recovery Act funds out the door to support transportation projects across the country, and I am pleased to report we have come a very long way since then.

I want to recognize two career people at the Department of Transportation who are with me today, Lana Hurdle and Joel Szabat. They, from the very beginning, put together what we call the TIGER team, which is made up of all the different modes, when we realized that we would be receiving these funds, $48 billion, and that you all put very strict guidelines on getting money out the door. They organized a committee within the Department and they have done a wonderful job, every week, holding people's feet to the fire to make sure the money is being spent correctly.

So to both of them I want to say thanks for doing what they have done to do it the right way. Thank you.

[Applause.]

Mr. OBERSTAR. We all know that good Member work is backed up by good staff work.

Secretary LAHOOD. That is correct.

Today, we are nearly at the halfway point of this historic effort. The DOT has obligated $29.4 billion, over 60 percent of our total Recovery Act funds, on over 9,000 projects nationwide. To date, almost $3.4 billion has been disbursed from the U.S. Treasury. And let me give you the top line numbers. The FAA has obligated 99 percent of its recovery money; the Federal Highway Administration has obligated 72 percent; the Federal Transit Administration, 88 percent; and the Maritime Administration 100 percent. This represents substantial progress. Both the DOT and our State and local partners share in this success.

The other good news is that we have met or exceeded all the Recovery Act deadlines, and have done so without any boondoggle, sweetheart deals, or earmarks; and we are very proud of that.

Since the passage of the Recovery Act, I have personally visited 30 States, 54 cities, and have seen the positive impact, as you have, Mr. Chairman, these resources are making in our communities. Throughout all of these visits, one thing stays the same: I have yet to hear a complaint from anyone. The largest portion of the Recovery Act dollars are working to improve our highways and bridges; $19.4 billion have been authorized to support work on nearly 8,000 projects in all 50 States and U.S. territories. Of that amount, more than half, 59 percent, are obligated on projects located in economically distressed areas, where communities have been hardest hit by the recession.

For example, the widening of Interstate 215 in San Bernardino, California, will help one of America's most economically distressed areas by creating jobs for 2,000 workers in the first year. It will also improve access to one of the largest and fastest growing trading hubs in the San Bernardino International Airport.

On the transit side, the Federal Transit Administration has worked with nearly 600 transit agencies nationwide to ensure that half of their share of Recovery Funds would be awarded by September 1st. FTA exceeded this deadline and to date has awarded

683 grants. These funds have been a lifeline to the industry, enabling transit agencies to replace aging equipment, improve safety and reliability, and reduce emissions.

More broadly, Recovery Act funds have been instrumental in restoring transit service hurt by budget cuts. For example, with the aid of the budget stabilization funds, the State of Missouri was able to provide $12 million in emergency relief to the St. Louis Metro, which in turn rehired over 250 employees and restored a significant portion of transit service. We have also broken new ground in helping public transportation become more environmentally sustainable. Last week we awarded $100 million in grants to 43 transit agencies focused on reducing greenhouse gases and fuel consumption, and we have received many more innovative proposals.

The recipient of the largest award, Atlanta's Metropolitan Atlanta Rapid Transit Authority, is using the funds to provide bus canopies with solar paneled roofs in a bus maintenance facility. These green roofs will produce power that feeds into Atlanta's power grid and MARTA can generate new revenue by selling surplus electricity back to the utility.

In aviation, the Federal Aviation Administration has awarded $1.1 billion for over 300 airport improvement grants to upgrade and improve runways and airport facilities. Most of these high-priority projects are under construction or completed. Airports are also benefitting from the Recovery Act provision encouraging the use of private activity bonds to finance debt and save money. Over two dozen airports have taken advantage of this program, selling more than $4 billion worth of bonds and saving hundreds of millions of dollars they can redirect toward long-term development costs.

In the maritime sector, the Maritime Administration Small Shipyards Program has awarded $98 million to 70 small projects in 26 States and Guam. These funds make significant and, in some cases, long overdue repairs and upgrades to dry dock facilities, steel working machinery, and other infrastructure.

As you know, one of the signature initiatives of the Recovery Act is $8 billion to help jump start high speed and inter city rail. The Federal Railroad Administration is reviewing over 200 applications it has received so far, with additional applications due this week. There is a tremendous amount of interest in this program across the Country, and we are grateful to Congress for their support. FRA did a great job reaching out to stakeholders.

One other signature initiative, the $1.5 billion discretionary award program, is known as the TIGER Grant program. We are seeking innovative, multi-modal projects of regional and national significance. The response has been tremendous, with about 1,400 applications submitted from all 50 States and the District of Columbia and three territories. We will announce these awards in advance of the February 2010 deadline. We think that, taken together, these innovative cross-cutting programs will, over time, produce a profound strategic shift in our transportation capabilities, with far greater emphasis on efficiency and sustainability than the Country has seen in more than half a century.

Finally, I want to note the tremendous positive impact of the Car Allowance Rebate System, known as Cash for Clunkers. Like the

Recovery Act, this program has really helped to move the dial during the recession. A total of 694,877 cars were sold from 21,208 automobile dealers across America. So far, we have paid out more than $2.8 billion in rebates, with an additional 7,000 applications worth $28 million in final review.

Thanks in part to this innovative program, consumer spending posted a solid gain in the third quarter. Ford, GM, Toyota, and Honda announced quarterly production increases, which are putting more people back to work, and through trade-ins we have achieved a 60 percent improvement in fuel economy. I think the CARS program, which was wildly successful, and the Recovery Act clearly demonstrate that when the Federal Government, State and local leaders, and the private sector team up to take bold actions, the American public wins. Together we are putting America back to work.

I look forward to your questions, Mr. Chairman.

Mr. OBERSTAR. That is a splendid report. I read it last night and again this morning. I am very encouraged by what I saw, some of these additional details that you have supplied in your testimony to those that we have been tracking with our Committee documentation.

On the CARS, I didn't know that is what its acronym was; I thought it was simply Cash for Clunkers.

Secretary LAHOOD. Well, that is the way it was portrayed by some, but the acronym is CARS.

Mr. OBERSTAR. CARS. I queried our State of Minnesota about the effect of CARS and found that the State has registered a 1.5 percent increase in tax receipts because of car sales that had disappeared and now had come back. Not only tax benefits up, but car registration fees are up and license fees are up, and a whole host of such fees that are derived from the automobile sales sector benefitted dramatically in the month of August and September in the State of Minnesota.

In February, after we passed the stimulus bill, I was asked by Minnesota news media and other national news media when will we see the effects. Well, there will be effects by May and June as contracts are awarded, work starts, and the States begin paying contractors and the Federal Government reimburses the States. But we in Northern Minnesota won't feel the effect until November, even December, because there is still a huge amount of steel inventory that is in steel company yards and in steel shaping industry yards, those that process steel for pipe and other purposes. But as those inventories are drawn down, the industry will have new orders and will have to melt those steel, and that will mean new iron ore.

Well, it has actually happened earlier. Two weeks ago, three weeks ago, actually, the U.S. Steel, Cleveland Cliffs Mining Company, and another smaller operation have called back 4,000 laid-off iron ore miners in Minnesota, and they have called back another 1500 in the upper peninsula of Michigan, which has two iron ore mines; they have been combined into one, the Empire and Tilden Mines. That additionally means that the lakers are operating, the ships that haul the iron ore, 1,000-footers that carry 60,000 tons of ore, called back their crews. So 10 ships in the Great

Lakes fleet, that is 300 seafarers have also been called back to work to haul the ore that we are now mining again, that had not been mined all summer and all spring, all since last December the mines were shutting down and laying off.

It is happening faster than I anticipated because this Recovery Act money is getting out fast, as fast as we expected.

You mentioned you have been to 30 States and 54 cities. It occurred to me, hearing you tell that story, how much traveling you can do if you don't have to report for votes on the House Floor. Big relief for you.

I found that airport authorities are able to get their projects out faster than the State DOT. I asked the Bemidji Airport Authority, the Brainard Airport Authority, Chisholm-Hibbing Airport Authority why were they able to get their funds out so quickly. They have a different contracting capability and different requirements than do States. They can prepare bids, issue the bids and take bids from contractors, and then hold those bids for even a year; and as soon as the money is available they can get right out into the field.

Are you aware of those contractual distinctions?

Secretary LAHOOD. Well, I think one of the reasons that the airports have done so well is because they have had these projects that were ready to go and they haven't had to really interface with that level of bureaucracy at the State level. I mean, our people work directly with the airports, they submit their applications, we check the boxes, and the project is on its way.

Mr. OBERSTAR. There certainly are some distinctions in contracting authority between airports and State DOTs. The experience of the alternative minimum tax, which initially I didn't think was going to have much of an effect, you report as having a very substantial effect of selling $5 billion in bonds, $4 billion of which benefitted from the AMT provisions. Is there a lesson to be learned in this experience for us as we go forward with surface transportation program?

Secretary LAHOOD. Well, I think that this has been a lifeline for airports, it really has, financially, and I hope that you will consider the use of this opportunity in the future.

Mr. OBERSTAR. Well, I would like you to have your staff give some further thought to the AMT. I don't know how broadly we can spread this and what budgetary consequences there may be in the future of expanding that provision. We might have to have offsets and PAYGOs and so forth, but, because of this very significant experience, I would like to have your staff give this further thought and share with us on both the Democrat and Republican side to perhaps inspire some further improvements in our metropolitan mobility centers and in the future financing of the surface transportation program.

Secretary LAHOOD. We will do it.

Mr. OBERSTAR. A concern that has come up is that States and cities, because of drop-off in revenue, have not been able to provide the matching funds for the transit projects and, on the highway side, some States, it is reported, have cut back on their regular— not on stimulus; that is 100 percent Federal funding, there is no State match required, but that there have been some reductions in

State regular program highway and bridge projects, but also on the transit side. Are you following those?

Secretary LAHOOD. Well, as you know, Mr. Chairman, and you just stated, there is no match for economic recovery funds. The transit money, the $8 billion, almost all of it is out the door. There was no match required on that. And the other thing that has been a big assist to the transit districts is the provision that was put into the omnibus appropriation that allows them to take up to 10 percent and use it for operating costs. That has been very helpful. Every transit district that I have talked to, that has been a lifeline for them to be able to use that money to operate. It is one thing to say we are going to sell buses and they are going to buy buses, but if you don't have the people to drive the buses, it is kind of silly. That has been a good provision and I know that you all are considering that in the future.

Mr. OBERSTAR. Yes, we are. What I am getting at is that there is a distinction in the news reporting that is not being made—there is a distinction that is not being made in the news reporting is a better way to say it—which is that the cutbacks by, for example, City of Chicago and a few others, have been in their regular program, not in stimulus program, bus acquisitions. Because they have not had the revenue coming in that they anticipate from their sales tax or other source for capital asset acquisition, they have cut back on the non-stimulus program, while going ahead with stimulus funding purchases, which may in some cases——

Secretary LAHOOD. No, that is true. I was just in Chicago; I met with Mr. Richard Rodriguez, and he told me—and the mayor was also there—that they are having some great difficulty, and it is true in other places in the country also, because ridership is down, there is a great reluctance to raise the fees during these hard economic times, and they are facing some financial difficulties.

Mr. OBERSTAR. One last point, for the moment, at any rate, is that when we were shaping the stimulus in December of 2008, I gathered the representatives of the various organizations, the AGC and AASHTO, ARTBA and a number of the State transportation directors in Washington, then I further had a conference call, teleconference by TV with the five representative DOT commissioners and asked them to follow up with Federal Highway Administration on clearing out any obstacles or any questions that they might have about implementation, because I said this stimulus program is going to pass, it has the support of the President Elect and we intend to move it.

Late in December and early January, Federal Highway Administration and Federal Transit were in touch with State DOTs and MPOs and State transit agencies, and after you were sworn in, I know you directed even further contacts. Now, that should have cleared out any of this question about red tape and made clear to States what was expected of them and what they needed to do and how to proceed with respect to equitable distribution of projects throughout a State, priority given to areas of highest unemployment, and clearing out. The report that I got back from AASHTO was we are very happy, we don't see any problems.

Now, have you continued to keep the liaison—not you, but I mean the Federal Highway Administration, keep the liaison with State DOTs throughout this process?

Secretary LAHOOD. Absolutely. Victor Mendez has been all over the country and he is in touch with these folks on a daily basis, and I think we do have our finger on the pulse on this.

Mr. OBERSTAR. Thank you.

Mr. Mica.

Mr. MICA. Thank you.

Again, welcome back, Mr. Secretary. Good to have you here.

Tomorrow, I am told that the unemployment figures for the Nation might reach 9.8 percent. I actually presented earlier, in my opening statement, a chart that showed the 10 highest unemployment States right now, where we put money in. I actually went back and got the first charts we did when we did the first review hearing and found that nearly all of them had either stayed the same or increased, except for South Carolina, where we had the smallest amount of money and actually that had a half a percent decrease in this.

The stimulus bill, too, if you go back and look at the arguments to sell it, was sold as an infrastructure bill. Of course, there was only a small amount in there as it ended up. But they targeted 8 percent, keeping unemployment at 8 percent.

I think, Mr. Oberstar, you cited 122,000 jobs created.

Mr. Secretary, our intent was, if we just use round figures, the whole intent of the stimulus was to get people working and jobs created, keep the unemployment below the 8 percent level, and we still have had difficulty getting that money out and targeted to where we have the high unemployment, even though that is a requirement in the bill and you have done your best to get it out there.

If we had the full 60—we will just round it off, we will say $60 billion out and you get 28 to 34,000—and we will round that out, to 30,000 jobs per billion dollars in infrastructure investment, we would have 1.8 million people working. So far we have actually spent out $3.5 billion, which is right on target; $3.5 billion is about 122,000 jobs. A long entry into my question, but how can we work with you? Do we need to go back and change the law? Do we need to do something administratively differently to get the money out, to get people working? Do you have a recommendation?

Secretary LAHOOD. Well, what I would say is that we followed every guideline that Congress established in the law. The money is out the door. We have to make sure that the States are providing the correct information. But the other part of it, too, is that this is an 18-month program. A year from now, many of these projects will still be going on, at least half of them will, and the people that will be suspended from working because of the winter will be back at it next year, finishing up these projects.

Mr. MICA. That is another problem we haven't even gotten into. And being from Florida, we don't think much about that, but in the north you lose months because you can't construct. So it probably will get worse, rather than better, as far as unemployment based on that factor alone. Then, of course, if you take States like Michigan, which are in the frost freeze belt, will probably be even harder hit.

Again, if you come up with anything or we could sit down, I know Mr. Oberstar would welcome the opportunity, to see how we can target getting more money out. Obligated, we have—what is it?—$29 billion of the $48 billion that you have control over obligated. When do you think the balance that would all be done by the 18 months or do you think that we will have residual and that the Committee or Congress would have to come back and do a stimulus 2 or——

Secretary LAHOOD. I think we will spend all the money that we have.

Mr. MICA. You do?

Secretary LAHOOD. Yes, I do.

Mr. MICA. What about a stimulus 2, you think that is necessary?

Secretary LAHOOD. I will leave that to all of you to decide.

Mr. MICA. Very good answer on that one.

[Laughter.]

Mr. OBERSTAR. That's the six-year bill.

Mr. MICA. It is nice for him to be on that side of the——

Mr. OBERSTAR. That is the six-year bill. Stimulus 2 is the six-year bill.

Mr. MICA. But we will not doing good on that.

Mr. OBERSTAR. Well, we had a good vote last week.

Secretary LAHOOD. I would say this, Mr. Mica. If we could get your support on a stimulus 2, I think there would be very strong consideration for it.

Mr. MICA. Well, if it was factored right. I mean, Mr. Oberstar and I came back. The Speaker asked us to come back, you called me and said we have to go back and do some hearings. Was it just before the election or after the election?

Mr. OBERSTAR. October.

Mr. MICA. October, to do a larger bill. We wanted to do $120 billion to $150 billion, and we could have done it. Then we got the kickback from CBO which said you can't spend it, and again I said their words, unfortunately, and their counsel to us was that there would be difficulty in getting the money out, and it has proven correct. Not all by what we put in the legislation. We wanted good reporting and be good stewards of the taxpayers' money, but just the practicality of the 50 States plus the District and others trying to get the money out under their requirements and things like the weather now that will deal us probably another setback. But my interest and your interest, I think, is getting the money out and getting people working, so we do want to work with you.

And then sometimes we get the money out with good intentions. I have a report here. When Vice President Biden went to Minnesota to a factory, the New Flyer Bus factory, we gave $8.4—well, we have $8.4 billion in the stimulus bill, which you have gotten money out. They were a recipient of money, stimulus money, I understand, and last month the company—in fact, the Vice President said this is an example of the future, and last month that company that was a recipient of some of our money laid off 320 people, 13 percent of its workforce, after getting the stimulus money.

Now, I know that there are factors, State cutbacks and other things, that influence that, but what I am trying to say is we have a challenge not only of getting the money out faster, we have a challenge of also trying to target the money to where we can secure jobs; and I hope that is not an example of the future where, again, additional people were laid off but we made a Federal investment in that particular operation.

Is there anything that we should be doing to further examine where we are putting those monies?

Secretary LAHOOD. Well, I have been all over the country, and everywhere I go where I see orange cones and orange barrels; I see people working; and when I talk to those people, those people were on unemployment in January, February, and March, and they are now working in good paying jobs.

Look, if you are going to try and lay off all of the unemployment on the fact that we didn't have enough money or we are not spending it fast enough, I think that is just not accurate. It was a $787 billion bill. I think when you look at our portion of the economic recovery, a lot of people are working around America. Travel around your communities, look at the orange cones, look at the orange barrels. Fly into any airport that I have flown into; they are all resurfacing their runways. A lot of money out the door and——

Mr. MICA. Well, my question, actually, was to the quality of the investment. Our intent here was to create more jobs for this bus company. It was producing green buses and we made a Federal commitment, but they have reduced their employment. I mean, I can take my own district. You got money out to Central Florida and my transit company is building bus shelters. The bus shelters are $25,000 to $26,000 apiece. I mean, I have a question about that much money for a bus shelter. That is another question.

But my point is we are spending money and some people are working. Obviously, we haven't made an impact in the highest unemployment States. But the quality of the investment and getting jobs in the future with that investment and sound investments, do we need to do more as far as oversight adjustment of the legislation? Or if we are going to do a future bill, how do we protect that money going out?

Secretary LAHOOD. I think in the construction industry, Mr. Mica, we have made a huge impact. And if you look at the unemployment in the construction industry, there are a lot of people working that without the recovery plan would not be working. With respect to whether your transit district ought to be building bus shelters or bus buildings, that is up to them to decide; it met our guidelines and it met the guidelines set out by Congress.

If we got in the business of telling every transit district whether they can buy buses or build shelters or whatever, you all would be screaming at us. They follow their guidelines. And whoever built that bus shelter was probably a building trades worker, or two or three or four or five that were on unemployment earlier this year as a result of a lousy economy, and they were working on the selected project. So that part of it works.

I think if you look at statistics having to do with our portion of economic recovery, we are driving down unemployment and a lot of people are working in good paying jobs, and that will continue through the life of the program.

Mr. MICA. Well, we look forward to working with you both and getting the money out, getting people working, and then making certain that the money that we spend goes on good projects that are spent with the best interest of the taxpayer in mind. Thank you.

Mr. OBERSTAR. Mr. Mica raised an interesting point that I discussed somewhat with you earlier, the issue of New Flyer and the City of Chicago was called to my attention by the officials at New Flyer about three, four weeks ago, who were very concerned that their order of 150 buses from the Chicago Transit Authority was being, at that time, reduced and then put on hold. They were anxious. This was not stimulus money; the buses the CTA ordered from New Flyer under stimulus was a firm order, and they are proceeding with that order.

But at the very same time—and the reason I raised this earlier was the same Chicago Transit Authority was cutting back. Why? So I called Frank Kruesi, who is the aide to the mayor and directed the Chicago Transit Authority for some years, and asked, and he came back with a report that their revenues had fallen; their sales tax revenues were down; the source of funding for bus acquisition, capital acquisition was down. The city could not carry out their intention to order 144 buses and put those bus orders on hold.

As a result, New Flyer had to cut back its employment because they had ramped up in anticipation of this order from the Chicago Transit Authority. Chicago, too, is a victim of recession; their tourism dollars are down, the travel figures are down, O'Hare's numbers are down, train traffic is not as congested in the center of Chicago as it once was. I think the railroad companies would like to have that congestion back because it means that their shipments are down. Everything is down.

The only thing that is up is the stimulus money, and all of the funds are going out according to plan, but we did not, in the stimulus program, direct States as to the type of project to be done or the quality of the project, or what its long-term benefit would be, but, rather, whether it would create employment. And the second directive we had was that the States allocate those funds on a priority basis to the areas of highest unemployment. That too is being done.

Now, I will say to my good friend, Mr. Mica, that in our surface transportation assistance bill that we have reported from Subcommittee, we take a very significant step toward quality of projects in the future by requiring States—first of all, compressing the 108 categories of Federal Highway funding into four formula programs, eliminating 75 of them, and requiring the States to develop six-year strategic investment plans, something that you and I talked a great deal about and we are in agreement on. And initially the State DOTs said, oh, that is a great idea. Then they said, well, we don't like so much accountability, and they are nervous about it.

But this is how we are going to achieve quality projects, long-term planning, coordination within the State, between State DOTs and Federal Highway Administration and USDOT and get better projects in the long run and concentrate the States' efforts. That is where—and we can do further refinements to make those stronger, and we have learned some lessons through the Recovery Act, so we are proceeding, things are going. Also, CBO was flat out wrong; they said this program would spend out at only 2.4 percent. They were dead wrong; it spent out at 64 percent.

Mr. Rahall.

Secretary LAHOOD. Mr. Chairman, before Mr. Rahall, I thank you for the clarification. I was with the Vice President when he went to New Flyer, and I want to make sure everybody knows New Flyer is a very good company. It is a very well run company. And through no fault of their own, Chicago decided to cancel their contract for 150 buses. Now, they can't do anything about that, but I want to make sure the record is correct on this. This is a very fine American company. And what we are asking these transit districts to do is look to American companies to buy their buses. So we are happy that companies like New Flyer are in existence and run well.

Mr. OBERSTAR. Their employment has increased 40 percent because of recovery, even with this layoff.

Mr. Rahall.

Mr. RAHALL. Thank you, Mr. Chairman. I would like to shift the questioning to rural parts of our Country, an area from whence the Secretary comes and knows very well.

That, of course, brings up the TIGER grants that you mentioned in your opening testimony, and I know you have your evaluation team with you that you have introduced to the Committee already. When the grants funding announcement was made back in June in the Federal Register, the announcement mentioned the DOT "must take measures to ensure an equitable geographic distribution of funds in an appropriate balance in addressing the needs of urban and rural communities." And I believe you referenced some 1,400 applications in your opening testimony across the 50 States.

Secretary LAHOOD. Yes.

Mr. RAHALL. Some close to $60 billion applied for, which you have just $1.4 billion available for these grants, so I appreciate the situation in which you find yourself and your evaluation team.

My question, I guess, is—and you are certainly keenly aware of the urban/rural split that creeps into any spending debates in the Congress, but can you please touch upon what your evaluation team and you have done or will do to ensure this equitable distribution of TIGER grants, in fact, to ensure they do get into rural communities?

Secretary LAHOOD. Well, look, rural America is very important. We say that everywhere that we go; we believe that. I think if you look at the way that some of our other money has been spent out, it hasn't been strictly in the urban areas. I have traveled to a lot of rural parts of America and I know the importance of rural America. There are people that have grown up in rural communities, want to stay there, want to retire there; they want to make sure there is affordable housing and good transportation for those rural areas so that people can get to a doctor's appointment or a hospital or a grocery store.

I want you to know that, from my point of view, rural America is very important. We will look at the TIGER program and the kind of applications we have received and we will not overlook rural America.

Mr. RAHALL. You said you are going to make those announcements, I believe, a month ahead of the statutory deadline?

Secretary LAHOOD. We will make them later this year or possibly in January.

Mr. RAHALL. So is the evaluation team, are they progressing on schedule?

Secretary LAHOOD. They are. We have 10 teams. They have evaluation criteria and they review the applications and then the process continues from there. We think we have a very good evaluation process going on and we have a lot of people in the Department working on this.

Mr. RAHALL. And if you might just comment a little further of how this process is going to be determined.

Secretary LAHOOD. They are going to make recommendations to me, eventually. I mean, the first eyes that are on them now, the 10 teams that are looking at these now are making sure that they meet the guidance that we put out and meet the criteria that we put out, and then they move to the next phase. If they meet that criteria, they move to the next phase. We are going to have to try and determine if the kind of requests that people have made, if they can come down from that a little bit or if there could be some adjustments in what they are trying to accomplish so that we can really do the best that we can for America with these TIGER grants.

Mr. RAHALL. So out of these 1,400-some applications, would you anticipate that coming down to you would be a shortened list of how many?

Secretary LAHOOD. Well, at this point I don't know because there are 10 teams looking at those applications. But there won't be 1,400 recommendations.

Mr. RAHALL. Sure. Those 10 teams, are they divided up geographically? Are they examining certain geographic regions?

Secretary LAHOOD. No. They are 10 teams that have been trained all identically. They are all using the same evaluation so there can be real consistency in the evaluation of the applications.

Mr. RAHALL. And each are?

Secretary LAHOOD. They were just assigned—they were assigned a stack of applications and asked to review them based on the evaluation criteria.

Mr. RAHALL. Okay. Thank you.

Thank you, Mr. Chairman.

Mr. OBERSTAR. Mr. Coble?

Mr. COBLE. Thank you, Mr. Chairman.

Mr. Secretary, good to have you back on the Hill.

Secretary LAHOOD. Thank you.

Mr. COBLE. Mr. Secretary, I would be remiss if I didn't take the opportunity to make sure of the Interstate 85 Yadkin River Bridge, with which you are familiar, I am sure. As you probably know, the North Carolina Department of Transportation submitted a request to obtain funds to replace the bridge, rail infrastructure, and roads associated with the project via the TIGER and discretionary grant program.

The bridge itself, Mr. Secretary, is functionally obsolete and structurally deficient; negatively impacts commuters, commerce, and air quality because of the congestion. This is of vital interest to my district, to my State, and to all those who traverse the I-85 corridor. It is the only project endorsed by the State of North Carolina for the TIGER and discretionary grant program, and has unanimous consent from the Members of our State's congressional delegation.

I understand that your Department has been the beneficiary of over 1300 applications and the timetable for funding announcements is January 2010. Can you provide any further insight to applicants regarding the status and what to expect from this process?

Secretary LAHOOD. Well, you are the final Member of your delegation to talk to me about this, Mr. Coble. I appreciate it.

[Laughter.]

Secretary LAHOOD. I have heard from everyone else. I know this is a very important project; it will get very serious consideration.

Mr. COBLE. And I thank you for that. I am glad we are on the ball; at least I hope you regard that as on the ball.

Let me ask another question, Mr. Chairman, if I may.

Mr. Secretary, I have heard from stakeholders in the transportation community regarding the EPA's efforts to regulate coal combustion byproducts, such as fly ash, as a hazardous waste. I also understand that EPA may consider a hybrid approach to regulating the material so that the beneficial use of fly ash is deemed nonhazardous, but the material that remains would be classified hazardous.

We have been advised that if the EPA decides to implement either of these approaches, concrete producers would have to use an average of more than 15 to 20 percent more cement per year of concrete to replace the fly ash. Do you have any cost estimates as to how much this might increase the cost stimulus related transportation projects, such as the Yadkin River Bridge, should the designation be finalized? Is this something that DOD is aware of and monitoring, and have you voiced any concerns to EPA?

Secretary LAHOOD. You know, what, Mr. Coble? I will have to get back to you on that. I don't have enough information to really talk intelligently about it.

Mr. COBLE. All right. I thank you.

Secretary LAHOOD. But I will do that.

[Information follows:]

Page 48
Insert after line 1115

[The information follows:]

On average, fly ash currently makes up about 15%-20% of the pozzolanic material in concrete mixtures. As to whether classifying fly ash as would raise the costs of stimulus-funded projects, there would not be a noticeable increase in material cost if concrete producers have to use more cement to replace fly ash, as both materials are similar in cost. Fly ash is used in concrete mixtures to mitigate the reaction that can occur between alkali in cement and some aggregates in the presence of moisture. In addition, fly ash generates a concrete mixture that has improved long term strength. Low alkali cements can be used to counter this reaction between cement and aggregates, but this material is not as readily available across the country as conventional cement. The costs of low alkali cement are typically similar to fly ash and conventional cement.

In October, the Environmental Protection Agency (EPA) submitted a proposed rule titled "Standards for the Management of Coal Combustion Residuals Generated by Commercial Electric Power Producers" to the Office of Management and Budget for review under Executive Order 12866. DOT is an interagency reviewer and is in the process of reviewing the rule.

Mr. COBLE. I thank you for that.

Mr. Chairman, I thank you and yield back.

Mr. OBERSTAR. Thank you, Mr. Coble.

Mr. DeFazio.

Mr. DEFAZIO. Thank you, Mr. Chairman.

Mr. Secretary, thanks for being with us today. With your indulgence, I would like to change the topic slightly. I would like to discuss where we are at in terms of a longer term authorization of surface transportation transit and highway projects.

Yesterday, the Senate failed to get unanimous consent to do a 90-day extension of the existing program, so we are operating now under a continuing resolution, which means roughly a 20 percent reduction in investment. We are going the wrong way here. As we all know, we need actually to increase our investment to not only build out a 21st century system, but to maintain the legacy that we have. The legacy system is in tough shape.

I am wondering if the Department or the Administration, beyond the Department, has rethought its position regarding an 18-month delay, which, of course, would mean a two-to four-year delay, actually, which would mean status quo for probably the entire first term of the Obama Administration; and if not, why not? We feel a tremendous sense of urgency. The Chairman has been leading this Committee. We have stood down both the Administration and the Senate now on this issue because we feel so strongly that we have to go forward with new policies and more robust investment.

Secretary LAHOOD. We talk every day about this, Mr. DeFazio, in the Department and with the White House, and particularly as the Administration evaluates the economy, evaluates the impact of our portion of economic recovery, which we believe is working and putting people to work and has really made a difference in rebuilding infrastructure in America. For the moment, I will tell you that we stand by our position of an 18-month extension and then to work with Congress to get to a comprehensive robust bill. I will tell you that the President is committed to a very comprehensive robust bill and trying to find the way to pay for it.

And we have had many discussions with Mr. Oberstar's staff on his ideas, on our ideas, and they are very compatible when it comes to the way forward and what we should be doing. So we continue to have many discussions about this, but for now we continue to believe that a longer term extension to get to a very good bill with all of you and also to find the money to pay for it is the best way forward.

Mr. DEFAZIO. Well, we agree on the last point, a long-term; and I mean a six-year bill is what I would say is a long term, as opposed to an extension of the existing policies, because, again, your Department will be saddled with the policies of the past and there will be no increase in investment.

Essentially when will all of the funds under the Recovery Act be obligated?

Secretary LAHOOD. Probably about a year from now or a little longer. This was an 18-month bill. A lot of the money is obligated. But we know in certain parts of the country many of these projects will be suspended because of the weather and have to start up next year. But all of the airport money is out the door, so the runway resurfacings that are going on, some of those will have to be suspended because of weather. You know, more than 70 percent of the highway money has been obligated, but a lot of those projects will either be suspended or get started next year during the construction season.

But I would say, in direct answer, probably about a year from now is when all funds will be obligated, or a little bit later, but not much later. The transit money is pretty much out the door for new buses and facilities and things like that, but on the highway side of it, we know these things will have to be suspended because of the weather.

Mr. DEFAZIO. Something weird is going on with the system; all the lights are blinking on and off.

Very quickly, since you raised the issue of aviation,—Mr. Costello is here; I am certain he would like to know—I have heard some talk that the Administration is rethinking the strategy for funding the FAA reauthorization. Do you support us going forward at this point in time with the authorization?

Secretary LAHOOD. Absolutely. We hope the Senate will pass a bill and then we will be very involved in the conference.

Mr. DEFAZIO. Okay. All right, thank you.

Thank you, Mr. Chairman.

Mr. OBERSTAR. We look forward to that miracle happening.

[Laughter.]

Mr. OBERSTAR. Not of you being involved in the conference, but of the other body actually doing something other than Supreme Court justices, treaties, and ambassadors.

Mr. Duncan.

Mr. DUNCAN. Well, thank you very much, Mr. Chairman.

Mr. Secretary, good to have you back.

Secretary LAHOOD. Thank you.

Mr. DUNCAN. You were a great Member here and I think you are doing a great job as Secretary. I appreciate your being here.

Since Mr. DeFazio mentioned the highway bill or the surface transportation bill, I do wish that some people would think about the fact that since we are running into problems on some of the other big legislation, if we could get out a highway bill in this Congress, it could be the greatest accomplishment of this Congress, and certainly I think almost all of us on both sides would like to see that.

I apologize that I had meetings and couldn't get here before, so maybe you have covered this, so I will just ask one very brief question. There seems to be a pretty wide disparity between the States on the stimulus money, with the top five, let's say, compared to the bottom five. What are the States doing that are getting more of the money? What are they doing right and what are the others doing wrong? Can you give us some hints?

Secretary LAHOOD. Well, this is not that complicated. The States have to submit their proposals to our Departments—in the case of highways, to our Federal Highway people—and if we can check off the boxes, we will obligate the funds and they need to then get the contracts going. And, you know, some States are far and away ahead of others because they knew what they wanted to get funded, they sent us the proposals, we checked the boxes, we obligated the money.

I mean, as I said in my testimony, I have been to 30 States. Every State I go to I try to meet with mayors and governors and legislators and people that are working on these projects, and I can tell you I have never met a worker that is complaining, because they were all on unemployment in January, February, and March, and now they are working in good paying jobs. Almost all the governors I have talked to have tried to do it the right way, by the book, so they can get this money going and get these roads built or bridges and get them resurfaced. The ones that have done the best job are the ones that have gotten the information to us, the paperwork; we check the boxes and—you know, I am simplifying a little bit, but if you talk to these State DOTs, that is the way it works.

Mr. DUNCAN. I just was meeting in my office with the President of Norfolk Southern, and he said he was with you in Altoona just a few days ago.

Secretary LAHOOD. Yes, sir.

Mr. DUNCAN. So I do know you are getting around, and I think that is a great thing. I want you to come to Tennessee.

Secretary LAHOOD. I will be there.

Mr. DUNCAN. Thank you very much.

Secretary LAHOOD. Thank you.

Mr. OBERSTAR. I would just like to mention that we are likely to have a vote in the next 20 minutes or so and we have the Secretary until roughly 12:20. He has to leave for another, so I would like Members to be brief.

Ms. Norton is next.

Ms. NORTON. Thank you, Mr. Chairman, and thank you, Mr. Secretary, for all of your work, especially for what you have been doing with this summit.

I have a question that comes from the precedent we have set with the stimulus and one that I think avoided both Civil Rights Act problems and, frankly, embarrassment considering where the greatest unemployment is. I congratulate you, Mr. Secretary, that you moved ahead on $20 million for an apprenticeship program so the minorities and women could get a foothold for the first time in the construction industry. This is a largely white male workforce because the Federal Government has not been in on the training, while, in fact, putting billions of dollars into roads and construction now for years. We are in some danger, but we have set a very important precedent.

In the last bill, the Chairman and the Ranking Member saw that there was language that encouraged States to use some of these billions of dollars for training for a workforce of people of color and women. There is another reason to do this: the construction industry baby-boomer generation is aging out, so during the times before the collapse of the economy, there were actual shortages for journeymen in the skilled trades. So there is both an internal need and a need on the part of the Government.

Seventeen States took this encouragement language in the most spotty fashion, little bit of it here and there. They preferred sometimes to spend all their money on roads with the same people who have been doing it for decades, without any training for the new workforce that they are going to need. Only two States did anything that could be approached to be called a program because, why? It didn't have to.

So if the Federal Government is going to throw out billions of dollars and say, spend it the way you want to, it might be in violation of Title 7 and other parts of the Civil Rights Act. But if nobody says anything, then we are going to spend our money on roads. We are not talking about a lot of money, it was .51 percent or some such number; I don't recall.

This Congress said $20 million in the highway bill will go for such training. I am also, in the part I have jurisdiction over in construction, $3 million is going for it. Paltry amounts, but important precedent. I want to know whether you would support a requirement that some reasonable portion of the new bill, the new reauthorization bill, in fact be devoted to training to allow people to get a foothold in this industry who have never had an opportunity in this industry before because the Federal Government has given out money without requiring any training to be done.

Secretary LAHOOD. Absolutely. I would be happy to work with you on it. We are very proud of our DBE program. I am very proud of Brandon Neal, who runs the program. He is doing a great job traveling the country and making sure that this money is getting out. I am also very proud that he allocated some of his money to Spellman College to allow for a program for 150 women from that school to become interns to get into transportation opportunities, whether it be engineering or whatever, so we can get those opportunities created at that level also. We just announced that program and it is the way for us to really encourage women and certainly women of color to get interested in transportation. But I will work with you on this.

Ms. NORTON. Thank you, Mr. Chairman. We are talking about a requirement in the statute, not making it permissive, but a requirement in the statute that some portion of the money—we would have to decide how much—be spent on training, because we have seen, unless you require it, States will not do it; and I very much appreciate your answer, sir.

Mr. OBERSTAR. The gentleman from Kansas, Mr. Moran.

Mr. MORAN. Mr. Chairman, thank you.

Mr. Secretary, thank you for the opportunity of having a dialogue with you this morning. I focus my questions in regard to TIGER grants. You indicated earlier about decisions made by the end of the year. Any ability to narrow that time frame?

Secretary LAHOOD. Probably December.

Mr. MORAN. Very good. TIGER has a wide array of options for those funds to be used. There are those who have expressed some concerns about freight and passenger rail being left out or receiving a lower priority. Any opportunity to reassure those interested in that aspect?

Secretary LAHOOD. Well, I think if you look at the guidance on our Web site for the TIGER grants, what you will see is that we are looking for multi-modal opportunities, and certainly freight fits into that. And I think as we have talked to people around the Country, prior to receiving their applications, we know that there were going to be port opportunities that would involve freight, that would involve taking trucks off the road, that would involve using the marine highway. I don't think that freight will be disadvantaged if it is a part of a multi-modal kind of opportunity.

Mr. MORAN. Okay. And in regard to a couple of other criteria, is there benefits to a local cost-share? Do they receive additional consideration if they put money into the project at a local or State level?

Secretary LAHOOD. Of course.

Mr. MORAN. Okay. And is that significant?

Secretary LAHOOD. Well, now you are going to ask me to put a weight on it, and—look, any time that people are willing to put some of their own money in the game, that is a good thing.

Mr. MORAN. I have never known you to answer a question you didn't want to answer, Mr. LaHood, so I am not fearful of causing you to say something you don't want to say. Finally, economically depressed areas, particular criteria or benefit for project being located in one of those areas?

Secretary LAHOOD. Well, we all realize at DOT that this money is really to help communities recover from a lousy economy, so that is—the main criteria, though, is multi-modalism, really trying to create opportunities that didn't really exist in other parts of the stimulus program, and economically disadvantaged communities have been a consistent part of what we have tried to do in all the different opportunities for economic recovery.

Mr. MORAN. I thought I knew what you were going to say until you said it. Is that a positive or a negative, then, if you are an economically depressed area, when it comes to TIGER? And the reason I ask that question is you said that this was a niche you were trying to fill. Has that niche, in your opinion, already been filled?

Secretary LAHOOD. Well, if you look at our economic recovery plan, which I know you have, $28 billion went to roads and highways, $8 billion went to transit, $1.5 is our TIGER opportunities, $8 billion for high speed rail, $1 billion for airports. So if you look at that and then you think about intermodalism, the one that really has not been addressed in that portion of any of those have been ports. Is that direct enough?

Mr. MORAN. Always, Mr. LaHood.

Secretary LAHOOD. Thank you.

Mr. MORAN. Mr. Secretary, thank you very much.

Mr. Chairman, thanks.

Mr. OBERSTAR. I think the answer should be without prejudicing the Department's decision-making process, or at least an instructive factor, is that we require in the law that priority be given to highway and transit projects and wastewater treatment projects, to areas of highest unemployment. That is in the law. It does not directly cover the discretionary grant program of DOT, but in the application of, and administering of the program, 63 percent of the funds have gone to areas of highest unemployment. So if the Department is following that logic, then they should also follow it through with the TIGER grants, I would think.

Mr. MORAN. Thank you, sir. Even more direct than Mr. LaHood.

Mr. OBERSTAR. Mr. Cummings.

Mr. CUMMINGS. Thank you very much, Mr. Chairman.

Mr. Secretary, good to see you here. Thank you for doing an outstanding job. Mr. Secretary, I think you would agree that our Country is embarrassingly far behind in the development of a modern high speed rail system. Fortunately, the Recovery Act provides $8 billion for high speed rail grants. The applications, I understand, for projects were due on August 24th and applications for development programs are due tomorrow. Are we on track with regard to getting these high speed projects? And, if not, is there anything Congress can do to help?

Secretary LAHOOD. We are on track. This is $8 billion more than the Department of Transportation has ever had in the history of the Department, and this is the vision of President Obama and Vice President Biden to get America into the high speed passenger rail business, and we will continue to work through the applications, evaluate them. But we are on track.

Mr. CUMMINGS. On another issue, Chairman Oberstar and Chairman Obey worked very hard, along with Members of the Congressional Black Caucus, Donna Edwards and many others of us, to get $20 million in funding in the stimulus for bonding assistance for disadvantaged businesses. We had a lengthy hearing, thanks to the Chairman, in this Committee where people basically poured out their hearts, saying that they were looking into the window of opportunity, but begging to get in the door; and the bonding was the thing that was blocking them. And the $20 million is wonderful, and I understand that you have now taken that and then moved on to combine it with some other programs, but can you give us the status of that?

Secretary LAHOOD. Well, the airports have used this bonding power very significantly. In my testimony, I pointed out some statistics where they have taken advantage of some provisions in the tax code to use this very well, but maybe what I should do is really get some very specific figures for you to address your question.

Mr. CUMMINGS. I look forward to that.

Secretary LAHOOD. Okay.

[Information follows:]

Page 61
Insert after line 1448

[The information follows:]

While the Recovery Act did not specifically apply Disadvantaged Business Enterprise (DBE) program requirements, DOT has made it clear to recipients that DBE program and regulations in 49 CFR 26 apply to Federally-assisted contracts receiving funds from the ARRA. Under the program, reports are required from DOT recipients annually and semiannually.

DOT has been monitoring DBE participation and providing assistance to ensure adequate DBE participation in ARRA-funded projects. For example, on a monthly basis, the FHWA receives information by State on the number of projects funded with ARRA and the extent and level of participation of DBEs.

As of October 5, data from the states shows that more than 1,540 projects containing DBE goals have produced more than $1,071,094,695 in commitments to DBEs.

Specifically addressing bonding assistance to DBEs, DOT launched the Disadvantaged Business Enterprise American Recovery and Reinvestment Act Bonding Assistance Reimbursable Fee Program to allow small and disadvantaged businesses to apply to be reimbursed for bonding premiums and fees incurred when competing for, or performing on, transportation infrastructure projects funded by ARRA. Under this program, DBEs performing on transportation and infrastructure projects receiving ARRA funding assistance from any DOT mode of transportation will receive financial bonding assistance in the form of bonding fee cost reimbursement. This provision is applicable to a subcontract or prime contract at any tier in the construction project.

Under this program DOT will directly reimburse DBEs the premiums paid to the surety company for performance, payment or bid/proposal bonds. The range of the premium fee is between 1-3% of the total bond amount. In the event the DBE also obtains a bond guarantee from Small Business Administration's (SBA) Surety Bond Guarantee Program (SBGP), the DOT will also reimburse the DBE for the small business concern (principal) fee of .729% of the contract price. Only qualified bonds with an issue date on or after August 28, 2009 to September 8, 2010 are eligible.

The link to DOT's recovery website with guidance related to the bonding assistance program is http://www.dot.gov/recovery/ost/osdbu/

Mr. CUMMINGS. Because that is a very, very big issue, because we can have all the opportunity, but if people cannot get the bonding to do the programs, they might as well not have the opportunities, to be frank with you.

Secretary LAHOOD. Right. Right.

Mr. OBERSTAR. Would the gentleman yield?

Mr. CUMMINGS. Yes.

Mr. OBERSTAR. It was Mr. Cummings, Mr. Secretary, who was the inspiration for the bonding idea based on a prior experience with the State of Maryland. So we took Mr. Cummings' suggestion and he spelled out in more detail the Maryland law, and we crafted it into the stimulus program providing that $20 million.

Mr. CUMMINGS. That is right.

Mr. OBERSTAR. We have also included and expanded it into our new authorization program for the surface transportation. So we will want, in our next recovery hearing, we will want to have a full accounting, but, meanwhile, I think it would be good for you to direct either RITA, the research information agency, to document the number of minority contractors who have received funds under the Recovery Act and the number of minority employees as well.

Secretary LAHOOD. We will do it.

[Information follows:]

Page 62
Insert after line 1472

The Secretary's Office has requested that the Research and Innovative Technology Administration (RITA) evaluate the feasibility of increased data collection under the American Recovery and Reinvestment Act of 2009 with regard to the participation of minority contractors and employees in projects funded by the Act.

Mr. CUMMINGS. Just one last question, Mr. Chairman, and thank you.

You were talking about Brandon Neal and the job he is doing over there in the agency, and I agree; he has done an outstanding job. This Spellman College initiative, do you plan to expand it beyond Spellman College?

Secretary LAHOOD. Absolutely.

Mr. CUMMINGS. Because, you know, there is a great effort to get more minorities into the pipeline. A lot of times these folks don't even know about the opportunities and, as I have often said, it is hard to dream if you don't see something and dream about it. So I just want to make sure that we go—Spellman, I think that is wonderful, but there are 100 or so plus other HBCUs that I think would benefit tremendously from the same program. I just wondered what your plans were with regard to that.

Secretary LAHOOD. What I would suggest is that maybe Brandon meet with your staff and we can outline for you what the plans are. We wanted to get started at Spellman.

Mr. CUMMINGS. Right.

Secretary LAHOOD. I don't want to say it is experimental, because it is already a good program and it will get particularly African-American women involved in transportation opportunities, which, as you said, they don't know about. But we will have someone meet with your staff. We will have Brandon meet with your staff and sort of give you the outline of what our plans are.

Mr. CUMMINGS. Thank you very much.

Thank you, Mr. Chairman.

Mr. OBERSTAR. And we would include Mrs. Napolitano in that meeting, whom I have designated to coordinate the work of minority business enterprises and minority workers.

Secretary LAHOOD. Absolutely.

Mr. OBERSTAR. Mr. Boozman.

Mr. BOOZMAN. Thank you, Mr. Chairman.

We really do appreciate your hard work, Mr. Secretary. One of the things, this Committee will have differences and things, but all of us agree that spending on the infrastructure is good spending for a variety of different reasons. The study that came out that we authorized in SAFETEA-LU or whatever, I think the average time that it took to build a road was like 13 years, and I would encourage anything you can do from an agency standpoint, even an Executive Order standpoint; and this is a great experiment that we are going through now in the sense of having all these things out.

If we really could, we have studied this thing to death, but through the experience that the agency is going through now, anything that we can do to reduce that time from 13 years, or whatever it is, down to a reasonable amount of time truly would give us so much more bang for the buck. Like I say, we have studied it to death, this and that, but I really would appreciate, and certainly myself, I think the Committee, I think I can speak for all of us, that is something that would be so beneficial. And I think we really have a window of opportunity that we could actually get something done in that regard.

Secretary LAHOOD. Well, we put together a team of people, called our TIGER team, to get this economic recovery money out the door and met or beat all the deadlines set by Congress, and we should be able to do that with our other programs, I agree. The most common complaint I have heard is it takes too long to get these projects funded, and we have proven, with the economic recovery, it can be done, and it is done right and the money is spent correctly. I take your point on that.

Mr. OBERSTAR. I would point out, and I appreciate the gentleman raising that, in our surface transportation authorization bill we restructure the Federal Highway Administration and the Federal Transit Administration to include within them an Office of Project Expediting to designate one person or staff that will ride herd on projects of a certain size to ensure that they go through the permitting process and there are permits of a whole range of issues and entities at the Federal, State, county, township level, to get those all coordinated.

We attempted to do this in the SAFETEA bill with section 6001 of Title 23, U.S. Code, but States have not implemented that language, so we have taken their experiences, why these projects have delayed. For a mill and overlay, on average, it takes three years; for a transit project, 14 years from idea to ridership. Meanwhile, the cost doubles and people lose hope, and the ridership on opening day falls off from the original expectations.

But we are going to fix that in this next legislation, and that is why we need to get it done in the next three months, and not 18 months.

You stopped nodding, Mr. Secretary.

[Laughter.]

Mr. OBERSTAR. You were doing well until that point.

The Committee will stand in recess for these votes and come back. I think it is only one vote. We will come back immediately.

[Recess.]

Mr. OBERSTAR. The Committee on Transportation and Infrastructure will resume its sitting, with apologies to witnesses, although the Secretary understands very well; he had to go through that himself as a Member.

Mrs. Napolitano is next on our list.

Mrs. NAPOLITANO. Thank you, Mr. Chairman.

Secretary LaHood, it is great to see you, sir.

Secretary LAHOOD. Thank you.

Mrs. NAPOLITANO. I was commenting to the Chairman that while there are figures that may not show the correct employment data, I think a lot of that data is usually so far behind in reporting the unemployment and the current employment, so that I don't think it is a true picture, at least not from where I come from.

Secretary LAHOOD. I agree with that. I don't want to use unemployment, the fact that it is the lagging indicator, as an excuse, but I agree with you, the picture is better than has been portrayed.

Mrs. NAPOLITANO. Thank you, sir. I just want to make that clear because I think that we do ourselves and the Country a disservice when we use figures that are not current or updated, or true figures, for that matter.

You have been in my area, you know the circumstances of the Alameda Corridor. I was also just dialoguing with some of my colleagues in regard to the need for California's mass transit, Southern California specifically. The fact that they are wanting to put in the high speed rail, which will impact some of my minority communities, yet, I still need mass transit. We only have buses and they clogged up in the arteries of the freeways and that ever-loving parking lot of the sky that we call it.

How do we mitigate the noise, the congestion, the safety impacts that the high speed rail will bring? As I was mentioning before, it was brought to my attention by one of the mayors of my bordering city council that some of the other countries are beginning to do away with the normal high speed rail and going to mag-lev type because of the noise because of the use of electricity instead of energy that is now being used in trains and some of the other locomotives.

And then the other question would be the railroad companies are opposed to utilizing their right-of-way to allow any high speed rail or any other mass transit when they have ownership of those areas. So that kind of ties in because they feel it hinders their goods movement, which, to a certain degree, I am in agreement with. But how do we address those things?

And the third question would be since many of the California groups were not able to access the funds, the stimulus funding because they didn't have NEPA clearance. However, CEQA is more stringent than the California NEPA. How do we streamline that process?

Secretary LAHOOD. Well, first of all, Mag-Lev is very, very expensive.

Mrs. NAPOLITANO. Correct.

Secretary LAHOOD. And the $8 billion that was in the economic recovery plan for high speed rail, we have received some proposals; we will receive additional proposals. California, as you know, has been working on high speed rail for a decade or more. They were even—some folks were even able to convince the people to pass a $10 billion referendum, so there is money set aside to match with whatever Federal dollars are allocated.

But that doesn't interfere with other opportunities for transit. I haven't really looked at the high speed rail proposal from California carefully enough to know, but I will say this, high speed rail in other countries is very quiet, it is not noisy, and it is very clean burning, and in some instances can get up to pretty good speeds, also. And that is not going to disadvantage a State or a community from getting transit money; the two are really separate and they are disconnected.

So I would encourage you to continue to work on those transit needs with our Department, but knowing full well that California is in the mix when it comes to high speed rail, and wants to be, and has been working on it for a long period of time.

Mrs. NAPOLITANO. How do we get mass transit to be able to be co-joined with high speed?

Secretary LAHOOD. Having the State get their act together so that their proposal is multi-modal, and that is what some States have done. I was just in Denver. They have taken Union Station in Denver, Colorado, transformed the facility. There will be six light rail lines running in there with an Amtrak connection. So you get these intermodal facilities that have buses coming in, light rail with a connection to passenger rail that goes at higher speeds. The way to do it is really to develop proposals that include multi-modal opportunities.

With respect to NEPA, those are laws that were passed by Congress. I am sure your laws are much tougher in California because you folks are always well ahead of the curve on these things. But we follow the law and Congress has passed laws having to do with environmental impact statements and studies that have to be done before projects can be awarded. So I leave it up to all of you to decide. We go along with what the laws are that we have to follow that are passed by Congress.

Mrs. NAPOLITANO. May we work with you, then, to be able to bring those together so that we may be able to pass some amendment to the highway act?

Secretary LAHOOD. Absolutely.

Mrs. NAPOLITANO. Okay.

Secretary LAHOOD. Absolutely.

Mrs. NAPOLITANO. Thank you, Mr. Speaker.

Mr. OBERSTAR. The gentlewoman's time has expired, but in our surface transportation authorization bill we do exactly that, we provide the means, the structural means by which we can be intermodal, starting with reorganizing the Department of Transportation, creating a council on intermodalism, establishing an under secretary for intermodalism, requiring the modes to meet at least once a month to establish six-year strategic investment plan; and within the Federal Highway and Federal Transit Administration, establish an Office of Project Expediting.

And to carry further, to build on the provision I included in the current SAFETEA, where, instead of the sequential process for permitting, where every agency has a crack sequentially and they wait, no one does anything until the first one has acted, we turn it on its side and have them all provide authority for all of the permitting entities to act concurrently, rather than consecutively. And it hasn't been well carried out by State DOTs, so we are going to advance this process and cut from 14 years to 3 years the time it takes to do a transit project and get it underway. And with Secretary LaHood there at the helm, we will do that. We just have to get the six-year bill passed.

Ms. Richardson.

Ms. RICHARDSON. Thank you, Mr. Chairman.

Thank you, Mr. Secretary, for coming to testify today. I also want to say for the record that you have been in California. You are out and about. Everything that you said, you are out there. I want to say for the record I have found that to be actually very true.

Secretary LAHOOD. Thank you.

Ms. RICHARDSON. So we appreciate your involvement.

A couple questions that I had for you. The overall objective of the Recovery Act, the stimulus, was to sustain and create jobs, and probably each member has their own experience. But what I would say is, in my particular areas, I don't see new people getting hired. So what statistics are you keeping that is actually keeping track of folks who are getting hired and new people who are getting hired?

Secretary LAHOOD. Well, I will be happy to provide to you the statistics for your district in terms of projects that have been funded, whether they be road, transit, airports, and the number of people—I mean, we are keeping track of the number of people and we have that documented according to congressional district and by State, and I will be happy to provide it to you by State or by congressional district.

But what we have found is that certainly in the highway and bridge aspect of it, the $28 billion, thousands of people have been hired all over the country to do these jobs, and in some instances they are people that have worked for—these jobs are provided by contractors who do road work, and whether they are hiring new people or not, that is something that we can work with you on to really try and determine that.

Ms. RICHARDSON. I did pull up the list that you have on the Web site that has, by my district, the various projects that are being done, but I would like to see the statistical information of who is actually being hired. And even if it is not impacted for this particular program as we spend the money, it is lessons learned of what we need to do to write the legislation better in the future.

Secretary LAHOOD. We will work with you on that.

[Information follows:]

Page 72
Insert after line 1732

[The information follows:]

For employment information, DOT relies on reports from the contractors to the State and other grant recipients. Contractors report the hours worked by direct on-site employees. This is a real time tracking of the work funded by the American Recovery and Reinvestment Act (Recovery Act).

There are several projects underway in the Los Angeles/Long Beach metropolitan area. Many of the projects, such as those covered by grants to the Los Angeles County MTA, cut across multiple congressional districts. However, job statistics are gathered with respect to the location of the project being funded under the Act, not the home addresses of the employees working on the project, so that the information requested is not available.

Ms. RICHARDSON. The other question that I had, I cannot have this conversation with you as the Secretary without joining with some of my colleagues in stressing our desire to have an authorization much sooner than 18 months. And I realize that you work with the Administration and you all have to sing from the same song book, but it should be no confusion that this Committee, we are very concerned.

We are not in agreement with an 18-month extension and we would like to move forward, and I would like that message to be delivered to the President and to the Administration. I think it is a mistake, I think it is going to come back to bite us, and I just think that it needs to be dealt with. So, for the record, I wanted to join with the Chairman and others who have spoken that that is not the will of this Committee and we are quite concerned.

Secretary LAHOOD. I will deliver the message.

Ms. RICHARDSON. Thank you.

Lastly, I want to talk about on the back of your testimony you reference the Attachment No. 1, which talked about economically distressed areas in California. Do you also have a list of where those areas are?

Secretary LAHOOD. Sure, we can get that for you.

[Information follows:]

Page 73
Insert after line 1754

[The information follows:]

As of August 31, 2009, all of the counties in California except the following counties were designated by the State as economically distressed areas (EDAs)*:

Marin
Mono
Napa
Orange
San Francisco
San Luis Obispo
San Mateo
Santa Barbara.

*State EDA determination from early March 2009, based on January 2009 Report 400c (California state unemployment data). The documentation of EDA status occurs at the time a project is authorized, and a county's designation may change over time as changes in economic data are reported.

Ms. RICHARDSON. Okay. Then, finally, does Victor Mendez handle your overall recovery stuff and Brandon Neal handles the diversity training and contracts?

Secretary LAHOOD. That is correct.

Ms. RICHARDSON. Okay. Thank you, sir, it is a pleasure to see you, as always.

Secretary LAHOOD. Thank you. Thank you.

Mr. OBERSTAR. I thank the gentlewoman for that message and for all the Members who have delivered that message. We have a good messenger to bring that to the White House.

On the unemployment in the construction trades, I just want to interject at this point. In December of 2007, when I first proposed, and Democrats on the Committee first proposed the stimulus, unemployment in the building trades was 968,000. A year later it was 1,438,000. We had shaped our bill and had actually moved a bill through the House for a stimulus program. In August—well, actually, in early 2009, that number went up to 2,045,000, but in August it had gone from 2,045,000 to 1,542,000. It is down another 30,000 jobs for construction workers since then, since August. So we have made about an 8 or 9 percent reduction effect in the unemployment figures for the construction trades.

Mr. Hare.

Mr. HARE. Thank you, Mr. Chairman.

Welcome, Mr. Secretary. It is good to see you. I just wanted to say, also for the record, how incredibly open you are to meet with Members. When I called you to sit down, I thought, well, maybe in about a month, and you were there in about three days. I appreciate your openness and your willingness to work with us.

I just have one question for you. With the high speed rail projects that are going on around the Country, the proposals, when you have States that don't like the route or there is some litigation pending or whatever, is there something that we can do from our end to make sure? Because I think high speed rail is a top priority for this Country. We absolutely have to have it—and, obviously, I am very selfish—coming from my own State of Illinois, but around this Nation. And I am just wondering, from your perspective, is there anything that we can do or that your agency could do to sort of kind of clear up, if there is a problem or two that we can work on to get these things moving and not have a delay.

Secretary LAHOOD. Well, we have received a number of proposals for high speed rail and we will continue to receive proposals, as of tomorrow, for the second phase of that. Illinois is a part of a regional program and the governor of Illinois has played a very key leadership role in calling a meeting of a number of the governors from around the Midwest region, and they have put together a very good proposal. And we are looking at all of those and if there are specifics that we think one region or another needs to look at, we have gotten back to those regions and talked to them about that for the next opportunity that will present itself.

Our people have worked very closely with these regions around the country to make sure they know what were some of the key things that we are looking for as they present their next proposals, so this has been very collaborative and I think the regions will be submitting some very strong proposals for our high speed rail opportunities.

Mr. HARE. Mr. Secretary, just so that I am clear, when does the money from the Department go to the States so that they can start the projects?

Secretary LAHOOD. Probably later this year. We are still evaluating and working on that, but we hope later this year.

Mr. HARE. Okay. Well, I just appreciate your coming here, and let me just echo what everybody here today has said in regard to the 18 months. I hate to sound repetitive, but we really need to move that up. Every dollar we invest in infrastructure we get $5 back, and if we are really going to get this Country moving, from my perspective, we have to get people working again. I think the Chairman said 140,000 people are working since we have done this. Just whatever we can do to get that done so that we can get these projects rolling and get people back to work. Also, just from a matter of public safety, I think it is incredibly important. But thank you for everything you have done and thanks for taking the time to come today.

Secretary LAHOOD. Thank you. Appreciate it.

Mr. OBERSTAR. That number is 123,000 in direct jobs as the end of September created on highway and bridge and transit projects, and another 80,000 in the supply chain for 200,000. That, plus the additional jobs that have been stimulated, means we have had a reduction of 500,000 of the unemployed in the construction trades, meaning $2.5 billion in payroll has been pumped into the national economy.

Ms. Titus.

Ms. TITUS. Thank you, Mr. Chairman, and thank you for continuing this important work of examining the progress of the Recovery Act. I was pleased to vote in favor of it because Nevada has been hit very hard. We have the highest foreclosure rate; we have had the highest unemployment since we started keeping records. So the money that we get through this Act will go a long way to creating jobs.

One of the things that worries me, though, is how well we are doing at the State level. In the last report that this Committee put out, Nevada ranked 46th of 50 States and Washington, D.C. I was hopeful that in the most recent report we would have moved up; instead, we have moved down to 47th. Now, when this happened, I sent a letter to the governor, asking what is happening in Nevada, why are we doing so poorly, and the response that I got from him through the secretary of NDOT or the director of NDOT was that Nevada had chosen to use the money on a lot of small projects, rather than one big project, so it took longer for the money to get out.

Well, I reviewed some of the other States and have found that those that are far ahead of us on the list have also spent it on small projects, so I wonder, Mr. Secretary, if you can clear this up for me. Does that really make a difference or is something happening in Nevada that we need to improve?

Secretary LAHOOD. Well, as you know, we have worked with governors in every State and the Department of Transportation in every State on the kind of priorities and projects that they felt they could fund, and I don't know enough about Nevada, but why don't I do this. Why don't I look at Nevada, do an analysis, and come up and see you and we can talk about that.

Ms. TITUS. Well, I would certainly appreciate it, because we need that money to be moving out, and I am afraid it is at that end, not at your end. But I appreciate that.

Secretary LAHOOD. No, before we lay blame at anybody's feet, let us really do a good analysis so we get it right.

Ms. TITUS. Well, I appreciate that. Thank you very much. I look forward to it.

Thank you, Mr. Chairman.

Secretary LAHOOD. Thank you.

Mr. OBERSTAR. Thank you, Mr. Secretary. I know you have a commitment and have to leave, but I do want to raise the issue that was highlighted in a USA Today news story that I already commented on and that I responded to various reporters saying they didn't get the best projects out in the Recovery Act, they are doing state of good repair, but they are not doing the best projects. Some people just can't be happy with success. It just drives me crazy. I just want to make it clear and I want to get your response. The USDOT does not make those decisions of which projects.

Secretary LAHOOD. Correct.

Mr. OBERSTAR. The Federal Highway Administration does not select projects.

Secretary LAHOOD. That is correct.

Mr. OBERSTAR. The State DOTs select the projects.

Secretary LAHOOD. That is correct.

Mr. OBERSTAR. They use the criteria we set forth in the stimulus act.

Secretary LAHOOD. Right.

Mr. OBERSTAR. And the stimulus act required States to select projects that could be under contract or obligated within 120 days.

Secretary LAHOOD. Right.

Mr. OBERSTAR. Did not make a distinction of what type of project, is this going to be a highway that will last 150 years, is it one that is going to be the best. It is going to be the one that puts people to work, correct?

Secretary LAHOOD. Correct.

Mr. OBERSTAR. And it had to meet the other criteria that the projects had to be located, preferentially, in areas of highest unemployment according to the EDA designation.

Secretary LAHOOD. That is correct.

Mr. OBERSTAR. All right. So all this stuff that we are reading about is either misrepresentation, deliberately or through lack of knowledge—there is another word for that we need not use—and/or deliberate attempt to discredit the recovery program.

Now, I cited earlier DOT and U.S. Federal Highway Administration work with the States. You gave them guidance, you helped them through. What paperwork issue could there be?

Secretary LAHOOD. Mr. Chairman, I responded to that article with a letter to the editor of the USA Today, which I think might have appeared yesterday. I agree with you, that story had so much misinformation about it.

Mr. OBERSTAR. Like putting out a grass fire.

Secretary LAHOOD. You can call any governor or State DOT—and I would encourage any Member to do this—and ask them has there been good communication, have we been helpful, has the money been spent correctly; and the answer up and down the line is yes. I have been to 30 States; I have talked to a lot of these governors and DOT folks. We are doing it the way you asked us to do it, the way you required us to do it, by the book; and I haven't seen one story written about an earmark, boondoggle, or sweetheart deal, I can tell you that, because we have done it by the book.

Mr. OBERSTAR. And there hasn't been a single earmark either from the House or the Senate.

Secretary LAHOOD. That is right.

Mr. OBERSTAR. Not a single Member of the Appropriations Committee of either body has designated an individual project, they have all gone out by the book.

Secretary LAHOOD. That is right.

Mr. OBERSTAR. By the States; their choice, their decision. Just get them out fast, put people to work.

Secretary LAHOOD. Right.

Mr. OBERSTAR. I would like you to, as we continue this process, though, to do one additional thing, to direct Federal Highways to survey the States on the proportion of their portfolio of projects that need to be upgraded to state of good repair and to make a projection by the end of their expenditure of Recovery Act funds how much of that portfolio of state of good repair projects they will have diminished.

Secretary LAHOOD. We will do it. I will have Victor work on that.

Mr. OBERSTAR. This information will set the stage for the authorization.

Secretary LAHOOD. Yes.

Mr. OBERSTAR. The six-year authorization. You know we compressed the 108 categories into four formula programs, the first of which is critical asset improvement, and that category is to respond to the States' need and the two national commissions' recommendations and AASHTO's own recommendation that we attack and put funding in the backlog of projects that need to be brought up to engineering standards of good repair.

Secretary LAHOOD. Yes.

Mr. OBERSTAR. So we want to help them do that.

Secretary LAHOOD. Good.

Mr. OBERSTAR. But I want them to lay out a six-year strategic investment plan and annual benchmarks of achievement and reporting. Now they are accustomed to reporting.

Secretary LAHOOD. Right.

Mr. OBERSTAR. So we will have transparency, accountability, and action on the greatest need in our Federal Highway program is to get roadways up to state of good repair.

Secretary LAHOOD. Good. We will do it.

Mr. OBERSTAR. And we found that given the funding they can do that.

Do other Members have any other questions?

[No response.]

Mr. OBERSTAR. Mr. Secretary, thank you.

Secretary LAHOOD. Mr. Chairman, thank you for your leadership in so many ways, it has been a real treat to work with you and the Committee, because we have the same goals in mind, we really do, and we will get there.

Mr. OBERSTAR. We are. We are getting there day by day. Things are better. Just keep Joyce Fisk in mind, that truck driver from Knife River Construction, whose kids have gone to summer camp, is getting her health insurance back. When she puts in her 1,200 hours, she will have her health insurance back, her husband will have; they are paying their mortgage; and they are putting food on the table; and they are paying taxes; and they are happy about it.

Secretary LAHOOD. Thanks to your leadership.

Mr. OBERSTAR. Thank you.

We will call our next panel, which includes the Honorable John Cox of the Wyoming Transportation Department; Charles Gallagher, President of Gallagher Asphalt Corporation for American Road and Transportation Builders Association; Mr. Ward Nye, President of Martin Marietta Materials, representing the National Stone, Sand & Gravel Association; Mr. Paul Soubry, President and CEO of New Flyer; and Mr. T. Jefferey Taylor, Manager of Transportation for Elkhart County, Indiana.

While the bells have rung for votes on the House Floor, we will begin with Director Cox, take your statement. Let's see where we are going. We are going from right to left here, all right. Very good. Welcome and congratulations on being number one.

TESTIMONY OF THE HONORABLE JOHN COX, DIRECTOR, WYOMING TRANSPORTATION DEPARTMENT; CHARLES GALLAGHER, PRESIDENT, GALLAGHER ASPHALT CORPORATION, REPRESENTING THE AMERICAN ROAD & TRANSPORTATION BUILDERS ASSOCIATION; WARD NYE, PRESIDENT, MARTIN MARIETTA MATERIALS, REPRESENTING THE NATIONAL STONE, SAND & GRAVEL ASSOCIATION; PAUL SOUBRY, PRESIDENT AND CEO, NEW FLYER; AND T. JEFFERY TAYLOR, MANAGER OF TRANSPORTATION, ELKHART COUNTY, INDIANA

Mr. COX. Good day, Mr. Chairman, and thank you. As was stated, I am John Cox, Director of the Wyoming Department of Transportation. By the way, Governor Freudenthal sends his greetings to the Committee.

Mr. Chairman, thank you for this opportunity to quickly discuss Wyoming's success in implementing the highway provisions of the economic recovery legislation.

First, Mr. Chairman, let me thank you for your leadership and this Committee for its efforts to secure Recovery Act funds for transportation. We were thrilled, frankly, when a recent report by this Committee ranked Wyoming first among the States for promptly investing Recovery Act highway funds. I want to quickly discuss that today.

Today, 100 percent of Wyoming's Recovery Act highway funds have been obligated, and over 99 percent of those are awarded to contract. Projects involving more than 95 percent of these funds are underway and nearly a third of the funds have already been expended. By latest count, in August, 1,739 jobs have been created or sustained in Wyoming because of these funds and their disbursement, and that is nearly one half percent of the State's working age population. These jobs are in addition to contractors' full-time workforces. Wyoming has also completely obligated the funds from our regular 2009 Federal Aid Highway Program.

The projects that we have supported with Recovery Act highway funds have advanced the national interest in a connected transportation serving people and business from all over the Country. As one example, we have invested over $40 million of our funds to improve Interstate 80, which is a critical route for both freight, commerce, and tourism. We are pleased that we have furthered both national and home State interest in promptly deploying our share of these funds.

Let me quickly describe how we were able to produce so quickly.

First, Wyoming began planning for the Recovery Act before it was passed, with great leadership from Governor Freudenthal, who was, frankly, determined to move promptly and efficiently to invest all Recovery Act funds made available to the State. He consulted early on with our legislators and, as a result, both the legislature and the governor supported our implementation efforts, the bottom line being that we were able to use our existing process to approve projects and award contracts in short order.

During the same time frame, we worked closely with our Federal Highways Division office and identified the equivalent of nearly three years worth of projects that would proceed to contract quickly. We also confirmed that the contractor community was ready and had the capacity to deliver what we said we had ready. Both Federal Highways and the Wyoming Contractors Association are tremendous partners with whom we have a daily relationship.

There were several other factors that kept us pushing hard to implement the law as quickly as we could. We thought that bid prices would be the most competitive in the early months following the passage of the stimulus. That was accurate, but they have also held strong throughout. We also considered our construction season. Because of our climate and elevation, we are very fortunate if we have six to seven months to work with in a given year. It also helped that the money was subject to current law, with only a few changes. Significant process or program changes may well have slowed our pace. Working from our list of ready to go projects, we considered the priorities and requirements of the law. We assembled a project list and then we aggressively scheduled extra lettings to award contracts.

So, Mr. Chairman, basically what we did was we planned early and we pushed hard at all stages of the implementation, and we had the advantage of support from the governor and the legislature, both.

Mr. Chairman, before concluding, I would like to emphasize that we are eager for the opportunity to make additional transportation investments. In case some may not be familiar with our part of the Country, let me suggest just a few reasons why Federal transportation investment in a rural State like Wyoming is in the Nation's interest.

Investment benefits a much larger population than lives in Wyoming or even our region, with several nearby metropolitan areas.

Other rural States are very similarly situated. Our highways are a bridge for through traffic. Trucks moving between the West Coast ports and Chicago, for example, cross our State, so the highway benefits citizens at both ends of the movement. Interstate 80 traffic, in particular, consists largely of through truck traffic neither originating nor terminating in our State.

Our Federal highways also benefit tourism, providing visitors from all over the world access to scenic wonders like Yellowstone and Grand Teton Parks in Wyoming, Rocky Mountain National Park in Colorado, Glacier in Montana, Black Hills in South Dakota, and may other regional destinations. Our roads help crops and forest products move to market; they serve the energy industries, including wind energy, which is a big thing in Wyoming right now, with their many work and production sites in rural areas.

We know that many needs exist throughout the Country, but I wanted to note for the Committee the strong transportation funding for rural States like Wyoming is decidedly in the national interest and it will help connect the metropolitan areas and populations.

We look forward to continuing to work with Congress in making further progress in transportation investments in Wyoming and in the Nation, and we will keep putting funds to work promptly and effectively.

Mr. Chairman, that concludes my statement. I would be happy to field any questions you might have.

Mr. OBERSTAR. Thank you very much. You answered a number of questions that I already had intended to ask, but I will pursue some of those further. We would like to build on Wyoming's experience moving projects further, and I will have some questions for you about the rural transportation provisions in our surface transportation authorization bill. I would like you to just sort of think about that.

We will recess at this point for the roughly 25 minutes it will take to complete these votes.

[Recess.]

Mr. OBERSTAR. The Committee will resume its sitting. We are safe for about an hour or so before the next votes and we will now continue with Mr. Gallagher for ARTBA.

Mr. GALLAGHER. Thank you. Chairman Oberstar and Members of the Committee, I am Charles Gallagher of Gallagher Asphalt, President and owner of that company. I am also a past president of the Illinois Road and Transportation Builders Association and here on behalf of the American Road and Transportation Builders Association.

Gallagher Asphalt was founded by my grandfather, James F. Gallagher, in June of 1928, just 17 months before the Great Depression. Gallagher is now owned by a third generation of Gallaghers, including myself.

From the perspective of our company, the Recovery Act has been a real shot in the arm during one of the most difficult periods in our industry's history, and for that we thank the Members of this Committee for their efforts and your efforts to secure as much transportation funding as possible with the stimulus bill.

The economic downturn has taken a severe toll throughout the Nation, including revenues on all levels of governor for highway construction, as well as our private sector construction. As evidence of this reality, I would like to share with you that our asphalt production at our Joliet facility is down 65 percent from the 2008 levels. Fortunately, Gallagher was low bidder on eight ARRA projects, totaling just over $15 million between April and June of this year. These projects directly employ 259 men and women, of whom 30 percent are minority and 7 percent are women. Twenty-nine new jobs were also filled for these projects.

My company is proof that the Recovery Act is achieving its goal of sustaining and sometimes creating jobs. According to the Federal Highway Administration data provided to ARTBA, every State met the requirement that 50 percent of their formula funds be obligated within 120 days. State and local transportation agencies have obligated $18.4 billion, or 68.9 percent, of the highway stimulus funds in six months. This is a much faster pace than under the core Federal Highway program. There are now 3,966 Recovery Act projects under construction in all States, including more than 600 that got underway in September. These projects are valued at $11 billion.

The impact of the ARRA is even more evident when looking at new highway contract awards, which is the best indicator of future construction activity. State and local DOTs awarded $2.1 billion fewer contracts for highway and bridge construction in the first four months of this year than in the same period in 2008, reflecting recession-driven cuts to State and local highway funding. In the second four months of 2009, however, the value of new highway and bridge contracts exceeded the 2008 levels by almost $4 billion. As such, the ARRA has more than offset State and local budgetary difficulties, and we are trending towards an increase in 2009.

With $7.6 billion in highway recovery funds obligated for projects not yet underway and the remaining $8 billion still to be obligated, the ARRA will continue to boost the U.S. highway construction activity well into 2010. Furthermore, recent easing in material prices has increased the purchasing power of Recovery Act funds to support more projects and deliver more economic benefits. What that really means is that the contractors are really bidding low on projects, so your dollar is going a lot further.

Mr. Chairman, the ARRA is doing what Congress intended: Federal funds are being obligated at a rapid pace; projects are being started; construction work is being performed; and firms across the Nation, like mine, are sustaining, and sometimes adding to their workforce. This year, the value of construction work performed on transportation projects will be above the 2008 levels largely because of ARRA. Without the recovery funds, transportation construction would be down, way down, with no recovery in sight. That is the real story.

The American public and our elected leaders need to understand, however, that ARRA is only a temporary solution. The Act's benefits will disappear quickly after 2010, and the jobs it is supporting will disappear. To sustain and build on the Recovery Act and reenergize the long-term growth potential of the United States, we need Congress to take on the six-year surface transportation authorization bill at the $500 billion level, and we thank the Committee for their activity in this regard.

Thank you.

Mr. OBERSTAR. Thank you very much, Mr. Gallagher. I especially support that support for the six-year authorization. I will take that part of your testimony and send it over to the Secretary and over to the White House so they see that as well.

Mr. GALLAGHER. Very good.

Mr. OBERSTAR. Mr. Nye, on behalf of the Sand and Gravel Association.

Mr. NYE. Indeed. Good afternoon, Chairman Oberstar. It is good to see you again. It is a pleasure to be here today. My name is Ward Nye. I am the President of Raleigh, North Carolina-based Martin Marietta Materials, one of the Nation's leading producers of construction aggregates. I thank you for the opportunity to appear before the Committee today and to present the industry's perspective on the Recovery Act, which I may refer to interchangeably today as stimulus, and to discuss its impact on our industry.

As background, Martin Marietta is a New York Stock Exchange company with 2008 sales revenue in excess of $2 billion. We're engaged principally in construction aggregates, meaning mining, processing, and selling crushed stone and sand and gravel for use in the construction of highways and other infrastructure projects, as well as in the commercial and residential construction industries.

Aggregates, along with hot mixed asphalt and ready mixed concrete, are sold and shipped from Martin Marietta's distribution network to customers large and small in 29 States. We have been in this business, through our predecessors, since 1939.

That said, I am testifying today on behalf of the National Stone, Sand & Gravel Association, which you know as NSSGA, which represents the aggregates industry. According to the U.S. Geological Survey, NSSGA is the largest mining association by product volume in the world. There are more than 10,000 construction aggregate operations nationwide, and 70 percent of our Nation's counties have at least one aggregate facility.

Aggregates are used in critical forms in most forms of heavy construction. For example, 38,000 tons are used to construct one mile of highway; 15,000 tons are used in an average school; 400 tons are used in an average home, and that is not counting what is going on in the subdivision all by itself.

Yet, due to the degree and severity of the current economic and protracted turndown, the industry is facing another year of economic turmoil and difficulty. For example, on June 30th, 2009, at the half year, Martin Marietta reported its 13th straight—13th straight—quarter on quarter decline in aggregate shipment volume. Similarly, according to the USGS, aggregate production in the U.S. decreased 27 percent in the first six months of 2009 over the same period in 2008. This decreased usage in 2009 was on top of previous aggregate declines in both 2007 and 2008.

In preparation for this hearing, NSSGA disseminated a producer member survey specifically geared toward measuring stimulus and its related activity. As prefatory comment to the survey's results, it is important to note that, on average, at least historically, roads and bridges constituted 40 percent of the industry's sales volume. Today that percentage is surely considerably higher.

Of those NSSGA producer members responding to the survey, we are seeing some specific positive regional impacts in the Northeast and in the Midwest. While the majority responding had not yet seen a noticeable sales increase over the last three months, we believe this is due in part to stimulus projects taking longer than expected to advance to the actual construction phase in some places. But we also believe the stimulus has prevented significant erosion to the workforce in the transportation construction market of our industry.

About one-third of the respondents to our survey think 2010 will bring a sales increase. However, when asked about their 2010 State transportation budgets, the majority surveyed responded that the State budgets are expected to be down, if not level, with 2009. The balance were hopeful that State budgets would increase.

Indications are that about 25 percent of stimulus projects will commence in the second half of 2009, with most of the remainder in 2010. Accordingly, stimulus will have a significant positive impact on construction activity and employment. However, some beneficial aspects may be muted by State and local governmental budgetary difficulties, as discussed here earlier.

Further, though challenging to quantify, jobs have been saved due to the investment of stimulus. Despite the efforts of this Committee, slow progress on reauthorization of the highway bill is retarding construction activity due to States' inability to plan for multi-year or major projects.

Mr. Chairman, our industry has experienced its most significant decline since the Great Depression. For example, our 2009 midyear numbers at Martin Marietta reflected a peak to trough volume decline of 34 percent. In real terms, this means a drop from 205 million tons in 2006 to around 130 million tons by the end of this year. Our workforce has been significantly reduced and remaining employees are working fewer hours with little or no opportunity for overtime. Our capital expenditures, which last year were around $260 million, will be reduced by nearly $100 million this year.

In conclusion, let me be clear. The aggregates industry has benefitted from stimulus and we are indeed grateful. Importantly, it has served to put something of a floor beneath our volume decline, as well as save jobs. However, we believe any momentum generated by stimulus will be in peril if Congress fails to act sooner than later on a well funded, multi-year surface transportation bill. Our transportation infrastructure is the very foundation of America's economic stability and growth, and has fostered its global competitiveness for over half a century.

Yet, today, 33 percent of our major roads are in poor or mediocre condition; 36 percent of major highways are congested; over 160,000 miles of Federal aid highway pavement is rated unacceptable; over 150,000 bridges are structurally deficient or functionally obsolete; and the current backlog of needed road, highway, and bridge repairs totals $461 billion. Our Nation's transportation infrastructure must be a top priority, with all the stakeholders working together to build a transportation network of the 21st century.

Mr. Chairman, these are serious short-and long-term issues. We are grateful for the attention, sensitivity, and vision you have brought to this debate, not just today, but, indeed, for many years. Again, I thank you for the opportunity to testify here today and look forward to any questions that you may have, sir.

Mr. OBERSTAR. Thank you for your kind words, thoughtful words about my work, more importantly, that of the Committee, especially the homework that you and all the members of the panel have done. You have the numbers right. The need is great and I appreciate again your support for the six-year bill.

Mr. NYE. Thank you, sir.

Mr. OBERSTAR. Mr. Soubry.

Mr. SOUBRY. Thank you, Mr. Chairman and Members of the Committee. My name is Paul Soubry, and I am President and Chief Executive Officer of New Flyer of America, a company you know well. We are the largest manufacturer of heavy-duty transit buses in the United States and Canada, and since 1930 we have delivered over 23,000 buses. In 2008 alone, over 40 percent of the buses delivered in North America were from New Flyer.

New Flyer has manufacturing assembly facilities in Minnesota and after-market parts distribution centers in Kentucky and California. We employ over 1,000 employees in the United States. We have business relationships with over 240 transit properties, including 20 of the largest 25. We have been the innovation leader in the heavy-duty transit space, the first in North America to offer low floored standard and articulating buses, natural gas buses, low-emission hybrids, and we are the only North American manufacturer of all-electric rubber wheeled trolleys.

We have continued to pursue green technologies. We are currently building a zero emission hydrogen fuel cell fleet of buses that will be showcased at the 2010 Winter Olympic Games. And I am proud to report that just two weeks ago we delivered our very first production bus off of that order.

As you know, on January 22nd of this year, my predecessor, John Marinucci, the former President and CEO of our company and now a director of New Flyer, testified before this Committee in support of transportation funding contained in the American Recovery and Reinvestment Act. He noted that funding of private transportation authority means—he knows what it means to purchase desperately needed new buses for transit authorities. In fact, the APTA, or the American Public Transportation Association, has data that shows that over 20,000 buses, or more than one-quarter of the fleet in America, are currently operating beyond their 12-year economic life. As you know, this life cycle is set by the FTA and is a threshold for eligibility for FTA funding of replacement vehicles.

Given the significant and unprecedented pressure on the operating budgets on our transit authority customers, new equipment substantially reduces or eliminates inefficient deployment of urgently needed State dollars and local dollars to keep aging and unproductive buses on the road. New buses produce significantly fewer pollutants, have much better fuel economy; they are quieter and they are safer, far safer than the vehicles that are being replaced. All of this contributes to making a better public transit network throughout the United States, with significant reduction in reliance on foreign oil.

I am here today to report that New Flyer has received orders from over 17 different transit authorities across the United States totaling 638 equivalent units that can be tied directly to ARRA or stimulus funding. This funding was provided directly to our local transit authorities. This quantity represents approximately 30 percent of our company's annual production. These orders provide over 800,000 hours, or 447 person years, of direct labor. The spinoff for our component suppliers, whether it be spare parts, material, or services, is six times that of the direct labor in our facility, or 2,682 person years, directly tied to the ARRA funding. Thus, our U.S.-based supplier partners, who provide 82 percent of all of the material or content that goes into a bus, are located in 30 States across this Country. All have benefitted and multiple communities have benefitted.

In addition, what is important, what Secretary LaHood told us and Vice President Biden, when they visited our facility earlier this year, stimulus money is as much about job creation as it is job retention and making sure we have sustainable businesses. All of those buses that are being purchased as a direct result of stimulus are being built either in 2009 or 2010, and that is job retention. We believe that the ARRA funds have had a direct and material impact on new bus purchases and the significant domestic industry that designs, supplies, and builds these vehicles for such critical and essential service to the American people.

The employees of New Flyer and our partner suppliers from all across America are tremendously grateful for the stimulus support for our customers. The reality is we have had a setback, which was talked about earlier today, in terms of a State government unable to fund a certain contract. The reality of it is ARRA funds has helped us sustain our business and our order book going forward. Every single dollar that comes out of stimulus has a tremendous impact on us and our customers and our suppliers. Orders and options exist, as you know. New Flyer has over 2500 firm orders and 6,600 options. Every single dollar helps with significant job retention and job creation. These are high-value, knowledge-based jobs in an industry that is in direct compliance with DBE safety and promotes diversity.

The infrastructure is aging. As I mentioned, over 20,000 buses are over 12 years old. The productivity and operating costs of local State transit authorities is significant. The pressure on reducing those costs is dramatic. New buses help reduce that operating cost requirement. The environmental impact of these new buses cannot be understated. Over 75 percent of our backlog are clean energy buses, with clean emissions; hybrids, natural gas, electric trolleys. And now, as I said, we are now delivering hydrogen fuel cell buses.

There is a tremendously widespread benefit to Americans. Our options are across 16 different States from 30 different customers, and our American supply base provides 82 percent of the parts. The accountability for every dollar spent has huge resonance with this Committee. Transit assets investment can put people to work immediately. The investment of $1 billion creates 44,500 person years of employment. In addition, the return on investment is immediate. With more stimulus and additional stimulus and support from the States, we can continue to put people to work immediately.

Thank you for your time.

Mr. OBERSTAR. Thank you very much, Mr. Soubry. I have been to New Flyer several times over the years. I was there for the groundbreaking for the construction of the new facility; shepherded the access road funding through the Committee and through the State DOT; am pleased with the management and the leadership. You have gone through some changes, I know, over time. The original Dutch investors have moved on, but they had the vision, they had the sense and direction of taking this company, and I am very proud of what New Flyer has accomplished. I will come back to you a little later.

Mr. Taylor, we look to you for some lessons learned from the Recovery Act funding, and the floor is yours now.

Mr. TAYLOR. Mr. Chairman, Members of the Committee, it is a pleasure to be here today, and thank you for the invitation. I am here to testify on behalf of Elkhart County Government and our experience with the stimulus thus far.

Mr. Chairman, in February of this year, President Barack Obama traveled to Elkhart County, Indiana, to announce a bill before Congress, the American Recovery and Reinvestment Act. Elkhart County was billed as ground zero of the economic fallout due to the recession. At the time of our President's visit to Elkhart County, unemployment stood at 15 percent, with much of it attributed to the fallout from the RV industry. You can imagine the excitement spurred in the community by the prospect of jobs to be created by the legislation and the potential impact of families in the Elkhart area.

The announcement that $27 billion of ARRA funds to be dedicated to infrastructure improvement really caught our attention. Elkhart County was and still is optimistic that the infusion of construction dollars into our local economy could and will result in economic relief. Many workers and their families in the community were and still are facing mortgage foreclosure and bankruptcy. Unemployment had blossomed from 4.4 percent in July of 2007 to 18.9 percent in March of this year, and today that rate hovers somewhere around 15 to 16 percent. Mr. Chairman, any kind of relief is welcomed in Elkhart County.

Soon after the announcement was made that funds were available, we in Elkhart County rolled up our sleeves and went to work aggressively pursuing funds for road projects that were deemed shovel-ready. We saw this as an opportunity to complete some long-overdue road construction projects and, more importantly, put many of the thousands of unemployed in our region back to work. We employ people regionally in Elkhart County.

Like many other local governments, we found ourselves in a disadvantage for having a well planned transportation improvement program based on a pay-as-you-go philosophy. We maintain a 10-year capital improvement plan that is funded.

Shovel-ready projects meant having a road or bridge project design completed, the right-of-way purchased, and all environmental approvals in hand. The system is structured that smaller counties are at a disadvantage. We will not go through a process of spending tax dollars for a project design, acquiring right-of-way, displacing our residents, securing final approval from the State DOT, and allowing federally funded projects to move forward without planning for the financial resources in advance.

Our desire was to utilize the funds to construct another section of an important four-lane road connecting two vital manufacturing and supply bases. We learned the project did not qualify for shovel-ready, even though the design was complete, the right-of-way was purchased, affected residents were relocated, the environmental assessment was complete. Unfortunately, the project did not have final approval from the State DOT, and acquiring such could take months, going far beyond the time frame for utilizing ARRA funds.

We soon discovered there was an enormous amount of paperwork required for even a simple roadway paving project. Nevertheless, we filled out all the documentation, submitted the photos, construction plans, cost estimates, and everything else, completing the requirements to permit the project to be constructed. To date, Elkhart County has completed all of the required submissions for the various roads to be resurfaced. According to reports, our projects are slated for a November bid letting. Consequently, it will be April 2010, at the earliest, before we see any new jobs created or retained locally. Some of the contractors I have talked to are looking at running at 50 percent capacity and about 20 percent unemployment in their construction sector.

More discouraging is the distribution of nearly $18 million in rural stimulus funds allocated to our region of Northeast Indiana. Elkhart County has been allocated zero dollars so far from this funding source. Awards of rural stimulus dollars were made available on a first come, first served basis. Elkhart County did not get ahead in the race with other cities and counties, and we were told at this point that our request cannot be funded because all of the money has been obligated to requests that came in ahead of ours.

Our concern is that if ARRA is to be focused on jobs creation and retention, then it seems appropriate to target rural stimulus funds to areas based on unemployment and prioritize those funds accordingly. Rather, Elkhart County, which leads the State of Indiana in unemployment, has not received any allocation of rural stimulus funds.

It was my understanding, along with millions of other Americans, that ARRA was a jobs creation and retention bill. Mr. Chairman, I believe Congress and President Barack Obama intended it to be a jobs creation and retention bill. If it is true we are in an economic crisis, we should expedite the paperwork process at all levels, not just Federal, and target those areas hardest hit by the economic turndown.

Mr. Chairman, Elkhart County will bounce back. We have and will continue to aggressively pursue investments in our local economy. Elkhart County has submitted a shovel-ready project requesting TIGER. This set-aside is for distressed economic areas for transportation projects and we think we have a project that will significantly impact our region.

Be assured, Elkhart County is not looking for Government handouts. We see stimulus as an investment to jump start our local, regional, and State economy. Our residents are working, creative, and are noted for starting successful long-term businesses that impact the Nation and the world.

Mr. Chairman, I thank you again for the opportunity to speak to you today and I look forward to answering any questions you might have.

Mr. OBERSTAR. Thank you very much for coming, Mr. Taylor. I will have some follow-up questions, as I think there are some lessons to be learned from your experience.

First, Mr. Cox, I took particular note of your comment our highways are a bridge for through traffic, trucks and tourism. You cited the plethora of units of the National Parks system in Wyoming, Montana, Colorado region. That is so true; there are a number of States that are sort of passed through, they are on the way to—traffic that is on the way to other destinations. They are still using your roads and you are having to sustain that road system and improve it.

But how were you able to come out of the gate so fast, get your Recovery Act application ready and submitted? What was it that you did that might be different from other States?

Mr. COX. Mr. Chairman, I don't know how to comment about the experience of other States, but I can tell you what worked in Wyoming. Former Governor Sullivan has coined a phrase that Senator Craig Thomas used to use back here in Washington. He said Wyoming is a small town with really long streets, and the commentary was aimed at the fact that in Wyoming the culture is relationally based, which is to say that you don't get things done if you don't have relationships built from border to border. But you can get a tremendous amount done in a short period of time with that kind of neighborly ethic that exists in the State.

Mr. Chairman, to start with that kind of as a big picture ethic, I would tell you that what worked well for us was a genuine roll up your sleeves and work together, not only starting with Governor Freudenthal and his kind of taking command of the ARRA possibility at that point, very early on, when it was really conjecture what was going to happen, and beginning to form up a template, if you want to call it that; and, frankly, his and our behind-the-scenes work with Members of our legislature to the point that when the Recovery Act become a reality, we simply had not only the approval, but the permission of the politicians in our State, the elected officials in our State to stand back and allow the already established process to carry through the implementation of these funds.

There are two other groups that I mentioned in my spoken testimony that I need to reiterate here, too. Again, the same relational approach applies with Federal highways. We are on a first name basis with Phil Miller and his staff, so early on, when this was a possibility or a probability, and not a reality yet, we were working with Phil and his staff, and also with the Wyoming Contractors Association, Jonathan Downing and his people. They literally sat down at the table with us so we could examine every aspect of not only the projects that we had designed and on the shelf, which was three times what our annual Federal program would fund, but we also examined whether or not the contractors could deliver the capacity. That was a real concern for us because we knew we would hit the ground running. And Federal Highways was a partner in that conversation as well.

So it was a combination of a number of elements, but really it boiled down to a bunch of committed people working together.

Mr. OBERSTAR. I think that is very instructive. It is very important not only for recovery, but for our follow-on six-year program. You cited this coordination, this working together with the governor and State legislature, you mentioned. There were several States whose constitution requires the State legislature to approve their State DOT acceptance of Federal funds. Not all States have that requirement; some it just goes ahead, but others. So in some States the legislature had to be convened, if they were not already in session, and had to approve legislation to allow the State to accept the Federal funds.

But you apparently foresaw all of this; you brought the entities of government together. Early on in the process Federal Highways was holding informational sessions, either in person or by teleconference. Did you participate in those?

Mr. COX. Mr. Chairman, our people did participate in those.

Mr. OBERSTAR. Not you particularly, but I mean your Department, yes.

Mr. COX. Yes, sir. Our people were daily involved in those, and it really did help to set the stage. Wyoming is one of those States where, statutorily, the carrying out of Federal disbursement of Federal Highway funds is tasked to a commission, and in this particular case those informal conversations led to the legislature simply trusting the commission with that same process. So we were able to use a very familiar process to carry out this extraordinary opportunity.

Mr. OBERSTAR. And does Wyoming DOT have a portfolio of projects, highway projects, that are in a state of disrepair and need to be brought up to the AASHTO standard of state of good repair? You have a catalog of such——

Mr. COX. Mr. Chairman, we do indeed have a list of such projects, and we were able, incidentally, to use ARRA funds to stave off or to prolong the life of some of those that were in decline.

Mr. OBERSTAR. And all of those are projects in which the right-of-way is acquired, the EIS and other permitting have been completed, correct?

Mr. COX. Mr. Chairman, it would be accurate to say that the EIS has been complete in most of them, at least to the extent that it could; and right-of-way acquisition may not have yet taken place, but we know what we need, so we are ready to go with that if the funding were in place.

Mr. OBERSTAR. But on the one submitted for recovery, those aspects of the process were already in place?

Mr. COX. Mr. Chairman, yes.

Mr. OBERSTAR. That is what I intended in 2007 when we first proposed this stimulus, in 2008 when we moved the bill through Committee, through the House. We were very clear about it and I had numerous conversations with AASHTO, with ARTBA, had several revolving conversations with State DOT directors—I don't recall that you were involved in any of those—saying this is what we are intended to do, now, be ready for it. I really don't have any sympathy for States at this stage who come in and say, well, we didn't know this was happening. Baloney. You were all on notice. Everybody knew this was coming and you were readiest of all.

In Minnesota, after the bridge collapse on August 1st, 2007, I remember it so well. Mr. Mica and I were actually on the Floor together managing the conference report on the Water Resources Development Act, which hadn't passed Congress in six and a half years, and we were finally getting this major bill passed and eventually, parenthetically, President Bush vetoed it and we overrode the veto. Bipartisanship is alive and well in this Committee, I can say that.

And I got the notice on my BlackBerry that a bridge had collapsed. I thought it was in some third world country. When I looked closer, it was Minnesota. But in 437 days they rebuilt that bridge. In 48 hours we had a bill through Committee, through the House, through the Senate to provide the emergency funding for Minnesota to rebuild that bridge. Of course, that helped immensely, and it was 100 percent Federal funding, just like Recovery Act funds.

So now to my point. The contractor was on one wing of the building where they had their plans, designs, engineering work; Mn/DOT, Minnesota DOT, was on the same floor on the other wing of that building; and Federal Highway Administration was also on the same floor on the south wing of that building. They didn't send emails; they walked down the hall with their engineering plans and looked at it and said, all right, this is good, this is not good, we have to change this, change something else. There was instant communication. They didn't have to go through hoops because they talked with each other.

Now, that is the sort of spirit that I want to inculcate into the next transportation bill to expedite permitting, to expedite process and projects coming through.

Mr. Cox.

Mr. COX. Mr. Chairman, in a very rural kind of comparison to the I-35 bridge tragedy, we had a tragic incident on the Wind River Indian Reservation in Wyoming, where a bridge was hit by a motor vehicle and there were some fatalities involved in that, and it destabilized that bridge. That is the bad news, the terrible news.

But the good news was that in a very short period of time our State DOT and the Reservation Department of Transportation were able to collaborate and get a temporary bridge in place using our equipment, and then to rebuild that bridge in a very short period of time. So those kind of cross-boundary and cross-discipline cooperations are, I believe, alive and well. Unfortunately, sometimes it is on the heels of a disaster, rather than in the everyday sense.

Mr. OBERSTAR. Yes, you are quite right, and I thank you for those observations. I was going to ask you about the provisions of our authorization bill that deal with rural transportation, but I have just received a notice from the Floor; we are likely to have votes in about 15 minutes, so I will let you mull that over and give us your thoughts at a later time.

Mr. Gallagher, your company has seen it all, on the threshold of the Great Depression to its cousin, the current one.

Mr. GALLAGHER. Yes, sir.

Mr. OBERSTAR. Your company has remarkably—I love these companies that are family owned and second and third generation. You really invested in your company's success and there is a certain kind of personal family pride. We have a number of such construction companies in my State and in my district.

You said that a number of contractors have been bidding low. Is that because materials costs have come down as the Chinese and Indian economy flag and their pressure on world materials slacken, or is it just because of the downturn in the economy and more contractors are bidding and willing to cut costs in order to win the project?

Mr. GALLAGHER. Mr. Chairman, I think it is both. I think that the material pricing has softened; crude oil has come down, so liquid asphalt has become less expensive. But I think, by and large, it is a number of contractors are into a panic mode, that they don't know what is coming next, so they are bidding as though they will never see another job, and that is a very dangerous environment for everyone, for that contractor and for the people that work for them. So we see a number of jobs being bid very, very aggressively because they don't know what the next program——

Mr. OBERSTAR. Well, the Recovery Act is accounting for callbacks, restoring jobs for contractors. Eventually, that money will be committed, funds will be paid out, the program will come to an end, and we need a sustained program.

Mr. GALLAGHER. Yes, sir.

Mr. OBERSTAR. And what is that sustained program?

Mr. GALLAGHER. The reauthorization, sir.

Mr. OBERSTAR. All right. There we are. Terrific. You get the class award.

I mentioned the Knife River Construction Company earlier, the truck driver who told the story sitting at the kitchen table, her husband also a truck driver for that company. Knife River kept their employees on health insurance program alive through December. They had no jobs, they had no contracts, they had nothing in prospect. It cost them $300,000; actually borrowed money to keep their employees' health insurance at least through the end of 2008. But then that ran out and that was unsustainable for them.

I am sure that there are a number of ARTBA members across the Country that have had similar experiences and done their best to keep their workforce together. And keeping that workforce together was one of the reasons we said retain or create new jobs in crafting the language for the Recovery Act. Do you know of others who have had a similar experience? I think these are great human interest stories.

Mr. GALLAGHER. Certainly, sir. We all really do look at our employees as—or I know at Gallagher Asphalt we do, we look at our employees much differently than just a number, just a person. We have over 20 different family relationships in our company; if it is a husband and wife, father and son, brothers, sisters.

So everybody is very connected, and when we need to lay somebody off, it is not a simple thing because they are connected to people who are being laid off or people who are able to stay. We try very hard to work with the most motivated employees to make sure that they have health care so that they can have health care through the winter, that they have enough hours banked, as you have talked about, to allow them to sustain their health care coverage throughout the winter layoff.

But, again, it can't go on forever. But we do take it very personally in our decisions of overhead reduction and employee layoff; it is not as simple as just looking at numbers on a page, these are real live people that we know the names of and have shared a lot with.

Mr. OBERSTAR. I have traveled to so many recovery sites. Not as many as the Secretary because I have to stay here and vote. He understands that very well. But I have heard this story from so many contractors across the Country. It is a great human interest story; it puts a face and heart on the ARTBA members.

Just as Mr. Nye and members of your association, the same. I have been to a number of sand and gravel operations that were closed. Forty percent in the State of Minnesota were closed; it got up to 60 percent. Now, in anticipation of the Recovery Act, they started reopening. Even though it was January and February, they began work preparation, calling people back and saying we anticipate projects.

And I thank you for your support, but, again, sustainability is the important element of the surface transportation program and I don't expect there will be another Recovery Act. The real long-term stimulus that will create 6 million new jobs and sustain 3 million jobs is the surface transportation authorization that we have moved through Subcommittee. I think that that is what your members have expressed support for.

Mr. NYE. It is very much what our members have said. And we are back to the point that was made in the oral testimony and in the written work as well. The vast majority of what this stone, sand and gravel is going to find its way to will be infrastructure projects. That will simply be the driver. But every other component of the economy has also been heavily damaged.

What we have seen in commercial has been the greatest drop that we could ever have imagined. People didn't just finish commercial jobs, they walked away from commercial jobs. There is simply nothing going on in housing. And our view is exactly what yours is, Mr. Chairman, and that is if we have a firm six-year bill that this industry and the construction industry knows it can count on, it is going to spur growth, it is going to spur opportunity not just in transportation, not just in infrastructure, but everything that will spin off of that is going to be a remarkable economic vehicle going forward. So we see this as an incredible opportunity and one that is much needed sooner, rather than later, not just to get the largest component of our business going, but, indeed, every component of all of our businesses going.

Mr. OBERSTAR. I am going to see to it that the Chairman of the President's Council of Economic Advisors gets the testimony from this panel and reads it. I have said several times that what we need is not a council of economic advisors, but a council of engineering advisors to get the Country back on track; get those economists, put them off in a corner someplace.

Knife River, the company I have cited as one of several that I met with who said that 50 to 80 percent—in their case it was 80 percent of their work—was private sector—shopping centers, parking lots, various other private sector projects—before the collapse of the economy. Since Recovery Act, 90 percent of their work is public sector, that is, Recovery Act. I wonder if you have—now, your members are not directly involved in the pavement work, but you are selling to and you are supplying those who are. Have you seen that?

Then, Mr. Gallagher and Mr. Cox, I will ask you the same thing.

Mr. NYE. We have certainly seen those types of percentages move around. In fact, Knife River would be a member of the National Stone, Sand & Gravel Association, as well as ARTBA, so we know that company quite well. And the type of migration that Bill Schneider or others in that business would have described would have been a very consistent migration for our membership as well.

Mr. GALLAGHER. We are certainly seeing that same shift. The previous three years our company had roughly 50 percent of its work came from the private sector and 50 percent came from the public sector. Currently, 98.5 percent of our business is public sector work, with only 1.5 of private work. It literally has just dried up and blown away.

Mr. OBERSTAR. My goodness.

Mr. COX. Mr. Chairman, Knife River does a considerable amount of work for WYDOT in Wyoming.

Mr. OBERSTAR. Oh, really?

Mr. COX. In our world, they represent a conglomeration of companies that used to be separate, smaller outfits that were assimilated by Knife River, and they are one of our best contractors in the State.

Mr. OBERSTAR. Well, I think there is a lesson here. It is going to take much longer for the private sector to enjoy recovery, and that half to 50 or 60 percent of your work that was private sector stimulated or generated has been replaced by the public sector. In other words, we will need to sustain the public sector investment for your companies to sustain their activity for some period of time, until that recovery filters through the economy.

Mr. NYE. That is entirely true.

Mr. GALLAGHER. Yes, sir.

Mr. OBERSTAR. Mr. Soubry, in the unfortunate situation that New Flyer experienced in Chicago—and you heard my comment earlier. When your staff called my chief of staff and said we have a real problem here, I called Mayor Daley and talked to him and then talked to his chief of staff, Frank Kruesi, who looked into the matter and said CTA has just lost revenue; our revenue base has declined so seriously that without the Recovery Act we wouldn't be buying any buses at all.

So I want to place it on the record CTA is very high on New Flyer, they like your equipment, they are buying what they can through the Recovery Act, and if their economy or when their economy recovers and the revenues are back, they will come back to those buses. But I know that was a great disappointment for you. But MARTA has also purchased and I know that I am seeing on the streets of the District of Columbia New Flyer buses.

Mr. SOUBRY. Yes, Mr. Chairman, thank you, you know, sincerely on behalf of our company for making those inquiries. Some of it was trying to understand the facts associated with the deferral of the order and so forth. As you know, in Chicago, the CTA needs the buses. It is not a matter of need, they have an aging fleet. They have had some issues over the last couple of years with another style of bus they had problems with. So it is not a need issue; we understand it is a State funding issue.

In fact, as you know, CTA bought 58 buses directly tied to the stimulus money that came out of this Committee and that was greatly—in fact, we have a number of properties that have benefitted. Just to list, Philadelphia, Seattle, Washington, UC Davis, Rochester, Milwaukee, Charleston, Detroit, Boston, Honolulu, Cincinnati, Miami, New Orleans, Fargo, Morehead, Guardian of California, and some from Chicago. So clearly the stimulus dollars have made its way across America and has benefitted those that could take advantage of it in a shovel-ready or a purchase order ready format, and that has been very successful; and it has benefitted New Flyer, but it has also benefitted those 30 suppliers that we have that are rippled throughout the United States, or those 30 States.

Mr. OBERSTAR. You anticipated my next question, which was you have suppliers who provide parts for the buses and they are scattered all around the States, and those are jobs as well, right?

Mr. SOUBRY. Absolutely, sir. As you know, our industry, we are an assembler, so we design and assemble buses, whether it is us or our competitors. The ripple effect on the supplier community and then down to the raw material suppliers is absolutely tremendous. So, as we have kind of stated, it is almost a six to one ratio; every job that is saved or created in our specific space or in our company ripples back through the supply community to a tremendous multiple.

Mr. OBERSTAR. You probably don't want me to mention your competitors, but they are out there as well, Gillig, Van Hool, Orion. Are they experiencing similar upticks in production?

Mr. SOUBRY. Well, every one of them has—you know, we are in a solid industry, we are in very good competitive business, we have tremendous domestic capacity and end capability, and there is room inside our facilities to do the work that we are contracted for and more, so we are going to see hunger on behalf of us and our competitors to try and retain our market shares and grow them. Every one of them has, in some way, shape, or form, benefitted from the ability to deploy stimulus dollars very quickly.

Mr. OBERSTAR. Thank you. In our authorization bill, we listened to the various transit agencies across the Country who are concerned about their operating expense and their capital account, and want to increase the amount of funding they can use for operating expenses out of their capital account. I would like you to—and we will see that you get a copy of the language that we have crafted in the bill.

But we limit that to only 5 percent for the biggest systems, those above a million population, and allow substantially greater amount, to 50 percent, for those under 200,000. But I would like you and your colleagues in the supply side to look at that language and see what your thoughts are about that.

Mr. SOUBRY. I think that is very, very important, sir. As you know, there is a real economy around the investments of new technologies, therefore, the direct reduction in maintaining or operating older fuel inefficient buses, and then there are safety issues and so forth. So that is a critical life butt of our industry, and we are under no illusion, the local transit authorities have to change the way they do business and reduce their operating costs, and it is incumbent on us as an industry to try and help facilitate that by continuing to offer fuel-efficient equipment that can be purchased at the right capital price. So we would love that opportunity.

Mr. OBERSTAR. There is a matter of principle involved here. The principle thrust of the Federal legislation is to provide the capital assistance to transit agencies to buy the equipment, then it is up to them to operate and maintain it. And the more money that goes into—if more money from the Federal side goes into operation, there will be less money for new capital. We have always seen the role of the Federal Government as being to increase the investment in the capital rolling stock, rather than in the operation account. It is a similar principle for the Federal Highway program as well. It is only recently, and by that I mean only the last 25 years, have we increased the amount for maintenance of the system.

Mr. Taylor, some lessons learned. In following your experience, I inquired with Indiana DOT. They said that some 10 projects have been approved under the Recovery Act for Elkhart County, totaling $23 million, and five are underway or have been completed. Can you validate that figure?

Mr. TAYLOR. There are some State level projects, Mr. Chairman, that are underway, funded through DOT. I can't comment on a whole lot of those projects because they are Indiana DOT projects and not from Elkhart County.

Mr. OBERSTAR. So, to the best of your knowledge, it is not 10 Recovery Act projects in Elkhart County, but 10 projects in all that may involve either State funds or regular Federal Aid Highway funds?

Mr. TAYLOR. No, my understanding is there are ARRA-funded State projects bid through INDOT. What I am here today to address is the difficulties we are having as a county getting our portion of stimulus funding that flows through either our MPO or through State funding, the rural stimulus funding pot of money, if you will. That is not working as well as the projects that you are mentioning.

Mr. OBERSTAR. Well, you are out there on the front line, and so you should know, as the county engineer, whether these are Recovery Act funds or whether they are State funds only or Federal aid State projects under the 80/20 program. And I have asked your Indiana DOT and they told me that, additionally, $23 million has already been allocated under the Recovery Act for Elkhart County and that 3 additional million dollars will be committed, and that they also approved an airport project of $4 million on Recovery Act.

Mr. TAYLOR. The airport project was for the City of Elkhart, which is a place that President Barack Obama visited, and that project, the $4 million project, is complete. So that was a successful project. It was bid and it is done.

Mr. OBERSTAR. Was it a runway, do you know offhand?

Mr. TAYLOR. It was a runway, yes.

Mr. OBERSTAR. Runway extension?

Mr. TAYLOR. Yes.

Mr. OBERSTAR. So that was done. Well, airports have a different contracting authority; they can move faster. So there is a question about how much of that $26 million was Recovery Act funds and how much was 80/20 funding or maybe some State funding altogether.

The second question, then, is the allocation. Under the Recovery Act, we directed States, State DOTs, to, on a priority basis, allocate funds to counties of highest unemployment as measured by the U.S. Economic Development Administration. They do it for the whole Country, county by county. Elkhart County obviously is one of the highest unemployment counties in the Country according to the figures from EDA. Did that not argue in your favor?

What happened at Indiana DOT that they did not give you—first of all, where does your county unemployment rate rank within the State of Indiana?

Mr. TAYLOR. Number one.

Mr. OBERSTAR. All right. So under the terms and conditions of the Act that we passed and the President signed, Indiana DOT should have given Elkhart County priority consideration.

Mr. TAYLOR. That is correct, Mr. Chairman.

Mr. OBERSTAR. Why did they not?

Mr. TAYLOR. That is a very good question that probably needs to be posed.

Mr. OBERSTAR. I asked that question and Indiana DOT said it took Elkhart County two months to submit their projects. Is that correct?

Mr. TAYLOR. Two months to submit our projects? In April we began filling out paperwork for the projects to submit. Photos were submitted as required.

Mr. OBERSTAR. Okay.

Mr. TAYLOR. And I don't know that time allows me to go into all of the details. I will take all the time that you would like.

Mr. OBERSTAR. Ship those details. I don't want to set up a conflict between you and Indiana DOT, but this is your opportunity to tell your story, and I am asking the questions because we are crafting this new bill.

Mr. TAYLOR. Yes.

Mr. OBERSTAR. And I want to see what we can do in the future for the regular program to cut out these kinds of disconnects.

Mr. TAYLOR. Understood, Mr. Chairman. We attended a meeting early on at the Fort Wayne District of INDOT in Fort Wayne, Indiana, where all of the local government entities were told what the plan was for rolling out this program. We were told it was going to be a first come, first served program. In other words, those entities that went home, got busy, got the paperwork in on time and correct were going to be the first to receive. I may be mistaken, but I don't recall any language about distribution based on economic need or unemployment.

Mr. OBERSTAR. It is in the law. I wrote it into the law. I insisted on it in House-Senate conference and it is in the law that the President signed. So they didn't tell you about that.

Mr. TAYLOR. We took photos, we filled out reports, submitted them to INDOT. They were returned to us, said you didn't take enough photos to show all of the pavement distresses that are required in order to justify this segment of road as being resurfaced.

Mr. Chairman, we have design engineers on staff who have designed, currently, $19 million bridge. The largest pre-engineered arch structure in the United States was designed in-house by our staff. I think we can determine whether a road needs to be paved or not. Yet, these forms were returned to us, only to be revised and sent back again and again. When you do that, you fall at the end of the line and the money had run out by that point.

Mr. OBERSTAR. You know, I have enormous respect for county engineers. I have 17 counties in my district. I meet with each of them in the course of a year, and one of the county engineers in my district, Dwayne Blank, was your County Engineers Association president a few years ago. I know the competence that exists at the county level. So there is some disconnect between Elkhart County and Indiana DOT.

Now, the County Engineers Association—I am going to have to conclude here because I have a minute to get to the Floor and vote—has asked, over time, for a separate allocation under our Federal Aid Highway programs of funds to go directly to counties by percentage allocation. I suspect you would like that idea and I suspect that you think it would be a good thing, rather than having to go hat in hand to the State DOT.

Mr. TAYLOR. Mr. Chairman, I would welcome that opportunity. Our department works very closely and very well with Mr. Bob Talley, who is the Federal Highway representative for the State of Indiana who works out of Indianapolis. We work very well with him. We have had some challenges in the past; not with him, but challenges in designs and so forth, and worked very closely together to get those resolved. We would look forward to that opportunity to work through challenges of Federal aid projects.

Mr. OBERSTAR. Well, I suggest that you talk with the National Association of County Engineers and perhaps craft some suggestions for us to include as we refine the future surface transportation bill.

Mr. TAYLOR. Thank you.

Mr. OBERSTAR. Thanks to all of you for your contributions, for your work on the front line of recovery, for putting people to work, creating jobs, moving America ahead. We will have, in another month, the sixth in our series of hearings, and that will be principally on EPA, the FAA, the Public Building Services, the Corps of Engineers under our Committee jurisdiction, where, again, there are people at work, getting a payroll, getting a paycheck, and making America better. Thank you all very much.

The Committee is adjourned.

[Whereupon, at 2:17 p.m., the Committee was adjourned.]

OPENING STATEMENT OF REP. STEVE COHEN

The Full Committee on Transportation and Infrastructure

"Recovery Act: 225-Day Progress Report for Transportation Infrastructure Investment"

October 1, 2009

I am pleased to be here today to receive testimony from Secretary LaHood, Director Cox, Mr. Gallagher, Mr. Nye, Mr. Soubry, and Mr. Taylor about the progress and success of the Recovery Act.

Like many other great cities across the country, the city of Memphis has been hit hard by the economic recession. As of August, the employment rate in Memphis was 10.4 percent, which ranked 33rd among the nation's fifty largest metropolitan areas. With the unemployment rate as high as it is, it frightens me to think what it would be had Congress and the President not taken the bold action of passing the Recovery Act. Thanks to this critically important piece of legislation, the city of Memphis has been allocated more than ten million dollars in transportation recovery funds. This money is being used to secure existing and create new well-paying jobs for thousands of Memphians and to rebuild the city's transportation infrastructure. With the nation's most integrated transportation network of runway, rail, road, and river, the money from Recovery Act is ensuring that the infrastructure in the nation's transportation hub remains in good condition and that its citizens are employed.

I look forward to hearing from our witnesses today about the implementation of the Recovery Act and the progress it has made stimulating the economy and improving the nation's transportation infrastructure. I thank the witnesses for being here today.

OPENING STATEMENT OF
THE HONORABLE RUSS CARNAHAN (MO-03)
HOUSE TRANSPORTATION AND INFRASTRUCTURE COMMITTEE

Hearing on
Recovery Act: 225-Day Progress Report for Transportation Infrastructure Investment
Thursday, October 1, 2009
2167 Rayburn House Office Building

Chairman Oberstar and Ranking Member Mica, thank you for holding this important hearing to look at the progress of Recovery Act infrastructure investment after 225 days.

Federal agencies, states, and local communities across the country have stepped up and are delivering transportation and infrastructure projects across the country. This is especially critical to the construction sector which has experienced higher rates of unemployment comparatively. In fact, in the last six months the number of unemployed construction workers has actually dropped almost half a million and the unemployment rate has drooped nearly 5% during the same time period.

Additionally, they are meeting the tight timeframes to obligate the funds. I am very happy to report that every state met the requirement to obligate at least half of the funds they were appointed within 120 days. At the same time as we are creating and sustaining family wage jobs we are addressing the country's long-term transportation investment needs.

I would like to applaud the Department of Transportation for its work in implementing the Recovery Act. Since the Recovery Act was signed into law, the DOT has obligated more than sixty percent of DOT's total Recovery Act funds. This has funded 9,640 projects across the country and directly created or sustained 122,000 direct jobs, not to mention countless other jobs that have be created or saved indirectly or induced.

My only concerns with the Recovery Act is that in selecting projects state departments of transportation are not taking into consideration whether a project is located in an economically distressed community as was required in the conference report. It is vital that we invest in these communities for their long term economic redevelopment.

In closing, I want to thank our witnesses for joining us today and I look forward to hearing your testimony.

TRANSPORTATION AND INFRASTRUCTURE COMMITTEE

"Recovery Act: 225-Day Progress Report for Transportation Infrastructure Investment"

October 1, 2009 – 9:30 a.m.

Room 2167 Rayburn House Office Building

Statement of Congressman Elijah E. Cummings

Thank you, Mr. Chairman, for convening today's hearing to enable us to receive the 225-day update on the *American Recovery and Reinvestment Act*, better known as the stimulus.

Under your leadership, Mr. Chairman, this Committee has kept meticulous records of how stimulus funding has been expended. I applaud the diligence of staff in compiling the data that is available to us today.

You have ensured that we have remained focused on the goal of getting the stimulus money out of the door and flowing into the economy as quickly as possible – while also ensuring that funding recipients are fully accountable for every dollar they expend.

Today, more than 5,000 projects funded by $14.4 billion in stimulus-funding highway and transit formula monies are now underway.

Additionally, more than half of the $64.1 billion in funding directed toward transportation and infrastructure purposes has now been obligated. These are truly impressive figures.

Mr. Chairman, last week, as part of the events held in conjunction with the Congressional Black Caucus' Annual Legislative Conference, I convened a session in cooperation with the Conference on Minority Transportation Officials to present information to conference attendees on how the stimulus is working for this nation.

Participants at this event included Deputy Transportation Secretary John Porcari, FTA Administrator Peter Rogoff, and Federal Highways Administrator Victor Mendez.

These individuals made outstanding presentations on how they are managing stimulus expenditures – and I commend their work to Secretary LaHood, whom we are very pleased to have with us today.

Deputy Secretary Porcari also reminded us – and as I recall to the Committee today – that when we enacted the stimulus, we faced an economic crisis of unprecedented proportions.

We had just had to provide $700 billion in federal funding to keep our entire financial system from melting down. We were uncertain whether even that extraordinary sum would be adequate.

Against that background, while the 9.7 percent unemployment rate in August is certainly unacceptably high, I am certain it would have been higher had we not taken the critical decision to enact the stimulus that has created now thousands of jobs while providing long overdue investments in our nation's infrastructure and social programs.

The fact that we now need reminding of the severity of the crisis we faced earlier this year is perhaps the best possible testament to the effectiveness of the stimulus.

I again commend the Chairman for holding today's hearing – and look forward to the testimony of today's witnesses.

With that, I yield back.

###

SENIOR DEMOCRATIC WHIP

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
CHAIRWOMAN, SUBCOMMITTEE ON WATER RESOURCES & ENVIRONMENT
SUBCOMMITTEE ON AVIATION
SUBCOMMITTEE ON RAILROADS

COMMITTEE ON SCIENCE AND TECHNOLOGY
SUBCOMMITTEE ON RESEARCH AND SCIENCE EDUCATION
SUBCOMMITTEE ON ENERGY AND ENVIRONMENT

DEMOCRATIC STEERING AND POLICY COMMITTEE

CONGRESSIONAL BLACK CAUCUS
CHAIR, 107TH CONGRESS

Eddie Bernice Johnson
Congress of the United States
30th District, Texas

PLEASE RESPOND TO:
WASHINGTON OFFICE:
1511 LONGWORTH BUILDING
WASHINGTON, DC 20515-4330
(202) 225-8885

DALLAS OFFICE:
3102 MAPLE AVENUE
SUITE 600
DALLAS, TX 75201
(214) 922-8885

WWW.HOUSE.GOV/EBJOHNSON/
REP.E.B.JOHNSON@MAIL.HOUSE.GOV

EB Johnson

Statement Of
The Honorable Eddie Bernice Johnson

Committee on Transportation and Infrastructure

Hearing on:
Recovery Act: 225-Day Progress Report for Transportation Infrastructure Investment

Thursday, October 1, 2009
9:30 a.m.
2167 Rayburn House Office Building

- Thank you Mr. Chairman. I am pleased that the Committee is holding this important hearing to examine the progress of implementing the American Recovery and Reinvestment Act in regards to transportation programs under the Committee's jurisdiction.

- I would like to welcome Secretary LaHood, who will be providing testimony today, as well as the other witnesses in attendance. I look forward to hearing an update on the projects which are being funded through this investment.

- There were three main goals of Recovery Act, when President Obama signed this legislation into law. To create and save jobs, spur economic activity and invest in long-term growth, and advance accountability and transparency in government.

- By participating in today's hearing, I hope that we can shed light on the progress we have made towards these goals as they pertain to the infrastructure and transportation.

- Since the enactment of this legislation, recovery money, especially involving infrastructure improvements, was expected to contribute to economic growth for many years.

- It is important that this money be used effectively, efficiently, and on projects that can generate and sustain jobs.

- The Transportation and Infrastructure Committee has estimated that nearly half of the funds allocated for highway and transit oriented projects under the Recovery act now currently under contract.

- This accounts for some 6,472 projects worth $16.8 billion dollars in all 50 states, the District of Columbia and 5 U.S. territories. Of this, work has begun on 5,279 of the projects worth $14.4 billion.

- The Committee has also reported that an additional 12,352 transportation and infrastructure projects have been announced, with 11,624 of these projects already approved by the appropriate agency.

- Some 122, 000 direct jobs have been created or sustained due to this funding through the Recovery Act. This in turn will create jobs indirectly, such the worker who makes construction materials to support the projects.

- Since our last update from Secretary LaHood in April, I believe this is significant progress for an undertaking this large.

- I am especially encouraged by the rate of projects under our jurisdiction that are currently approved and in progress.

- This signifies that money is moving down the pipeline and federal and state agencies are effectively coordinating their efforts to utilize the funds.

- I commend all of the agencies who are working together efficiently to not only provide jobs, but support our nations infrastructure needs.

- In today's current economic climate, investing wisely in infrastructure for a robust transportation system offers the chance to create immediate jobs while ensuring a long lasting stimulus to the economy.

- In my own district in Dallas, Texas, we have received $58.3 million in Federal Highway Funding alone.

- Local officials have also submitted proposals for projects through the TIGER grants to improve our streetcars and bike and pedestrian trails in areas experiencing rapid development.

- All of this will not only help Americans earn a living and support their families, but the community as a whole will benefit from an improved quality of life and access to public transportation options.

- Just yesterday, after meeting with local officials, they expressed their gratitude for the Recovery Act funding and emphasized that this money was greatly welcomed and vital to the city's needs.

- The Recovery Act is working, and it is evident through the data and the reports from those receiving the funds. I am pleased with steps we have taken thus far and am happy to have voted for this legislation.

- I look forward to hearing testimony on these issues. Again, I would like to thank Secretary LaHood for being here today. Thank you Mr. Chairman.

James L. Oberstar

STATEMENT OF
THE HONORABLE JAMES L. OBERSTAR
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
HEARING ON "RECOVERY ACT: 225-DAY PROGRESS REPORT FOR TRANSPORTATION INFRASTRUCTURE INVESTMENT"
OCTOBER 1, 2009

The transportation and infrastructure investments of the American Recovery and Reinvestment Act of 2009 (P.L. 111-5) (Recovery Act), have already played a key role in putting Americans back to work. Federal agencies, States, and their local partners have demonstrated they can deliver transportation and infrastructure projects and create urgently needed employment in the tight timeframes set forth in the Recovery Act. These projects have already resulted in over one-hundred thousand workers getting off the bench and back on the job.

As of August 31, 2009, 64 percent of the total available formula funds for highway and transit projects have been put out to bid,. Almost 50 percent of these formula funds are under contract, and 42 percent are associated with projects underway.

Monitoring the percentage of allocated funds associated with projects out to bid, under contract, and underway helps us measure the Recovery Act's progress. Critics of the Recovery Act focus exclusively on the amount of outlays of Federal transportation funds. This approach does not provide a good sense of Recovery Act progress because transportation projects primarily operate on a reimbursement mode. For example, States seek reimbursement for highway projects after construction is underway. Federal outlays, therefore, come months after jobs are created and necessary infrastructure projects have begun. Knowing how many funds are associated with projects out to bid, under contract, and underway better captures the extent to which Recovery Act funds have arrived on Main Street.

Critics of the Recovery Act also cite "red tape" as obstructing the quick and efficient use of funds. These assertions could not be further from the truth. The Recovery Act provides funding to States and local governments through the existing Federal-aid highway program. Further, States, months before the Recovery Act was even signed into law, geared up and worked with local officials to prepare to implement these funds.

After a State selects a Recovery Act project, the Federal Highway Administration (FHWA) approves the project within a day or two. Once FHWA approves a project, federal action is complete. It is then in the hands of States and their local partners to put these funds to work. As the recent reports we received from States demonstrate, most States moved aggressively to advertise projects, sign contracts, and begin construction. In fact, today we will hear from one State that has already put to work nearly all of its Recovery Act highway funds.

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 supply chain industry leaders whose companies have been able to keep workers employed because of the Recovery Act.

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 conducted. 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. Those recipients have reported regularly to the Committee.

According to the most recent submissions received by the Committee, as of August 31, 2009, a total of 8,062 highway and transit projects in all 50 States, five Territories, and the District of Columbia have been put out to bid, totaling $22 billion. That's 64 percent of the total available formula funds for highway and transit projects.

Of these 8,062 projects that have been put out to bid, 6,472 highway and transit projects in 50 States, two Territories, and the District of Columbia are already under contract. These projects under contract total $16.8 billion.

Work has begun on 5,279 projects in 50 States, two Territories, and the District of Columbia totaling $14.4 billion.

These 5,279 highway and transit projects underway have resulted in over 122,000 direct, on-project jobs. Direct, on-project jobs include workers employed to repair or build a new facility or maintain on-site equipment.

Just as important as direct, on-project jobs, are indirect and induced jobs (which others call supply chain jobs) that have resulted from Recovery Act investments. Indirect jobs include jobs at companies that produce construction materials such as steel, sand, gravel, cement, and asphalt. Indirect jobs also include jobs at companies that manufacture equipment such as new transit buses. Induced jobs include employees at restaurants who serve lunch to employees working on job sites.

Today we will hear from people who have seen first hand how the Recovery Act has sent positive ripples down the supply chain. In many cases, the Recovery Act has allowed companies that had planned lay offs, to keep their workforce intact. Many companies have even been able to bring back workers because of Recovery Act orders rolling in. Therefore, when you combine the direct, on-project jobs with all the jobs that the Recovery Act creates and sustains down the supply chain, the tally of jobs rises even 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 September 18, 2009, Federal agencies under the Committee's jurisdiction have announced 12,352 transportation and non-transportation projects totaling $40.6 billion, representing 63 percent of the total available funds. Funds have been committed for 11,624 projects totaling $33.7 billion, representing 53 percent of the total available funds.

Of the $48.1 billion in funding provided under the Recovery Act, the U.S. Department of Transportation (DOT) has obligated $28.8 billion for 9,640 projects, as of September 18, 2009. This represents 60 percent of the total available funds.

Within this total, State Departments of Transportation have submitted and received approval for 7,558 projects totaling $18.8 billion, approximately 70 percent of the Recovery Act highway formula funds.

This transparency and accountability information speaks for itself: Federal agencies, States, and their local partners are putting Americans back to work in family-wage, construction jobs all across the nation.

The Act further requires that at least one-half of all highway funds apportioned to States be obligated within 120 days (June 30, 2009) after the date of apportionment. I am pleased to report that all States met this requirement.

The Act additionally requires that at least one-half of all transit formula funds be obligated within 180 days (September 1, 2009) after the date of apportionment. I am also pleased to report that all States and local communities met this requirement.

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.

We have also seen bids for transportation projects coming in much lower than expected. In their most recent report, GAO cites multiple examples of States pursuing additional projects because of these bid savings. For example, the Colorado Department of Transportation reported that 32 highway projects had come in lower than the original estimates, resulting in a bid savings of over $39 million. Across the nation, this bid savings has allowed Federal agencies, States, and their local partners to stretch Recovery Act funds even further, resulting in more projects, and in turn putting even more Americans to work.

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 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 225 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.

Remarks of US Rep. Nick Rahall
Hearing on, "Recovery Act: 225-Day Progress Report for Transportation Infrastructure Investment"
Full Committee on Transportation and Infrastructure
2167 Rayburn House Office Building
October 1, 2009

Mr. Chairman,

First, let me start by thanking you for calling today's important hearing and for your career of tireless work on behalf of the American people.

Second, I would like to extend my deep appreciation to Ranking Member Mica for his great contributions to the Committee and to the strong spirit of bi-partisan cooperation that the Chairman and Ranking Member have fostered on this Committee.

Our distinguished Chairman has done an admirable job, both in the past and in working with President Obama, Secretary LaHood, and our Congressional leaders on both sides of the aisle to illustrate the crucial relationship between increased infrastructure investments and the overall stability of our economy.

Mr. Chairman, please indulge me a moment to say a few words about Secretary LaHood. As many of you in this room know, Secretary LaHood and I have been friends for quite a while. Ray, as I used to be able to call him, has always had a deep reverence for the institution of Congress—hopefully you have maintained that position in your new post.

In the many years I worked with him, I saw firsthand his ability to reach across party lines and build consensus. [redacted] Ray has embodied the ideal of a tireless civil servant who puts the American people first and foremost.

I also thank the other witnesses who have taken time out of their busy schedules to be here with us today.

Your presence illustrates your own commitment to this great nation.

As we are all too aware, our past collective failure to make transportation investments a higher priority has made it difficult to provide the levels of funding sufficient to maintain our transportation system, let alone expand it.

As part of his efforts to heal some of our economic woes, President Obama proposed a Federal Stimulus Package to help jumpstart our economy. Many Members of Congress believed in his proposal and worked hard to pass the American Recovery and Reinvestment Act. Now, while not everyone in this room supported the President's proposal, I believe that we all understand that infrastructure investment creates good jobs and also sets the stage future economic growth.

As we have all heard ten times over; for every $1 billion of federal highway investment, almost 35,000 jobs are created.

These are good jobs that this recovery package has created. Good jobs for hard-working Americans everywhere.

The Recovery Act has already invested well in my State of West Virginia. In my Congressional District and the surrounding counties, the Recovery Act has brought almost $300,000 for Amtrak improvements, about $66.5 million in Federal Highway investments, close to $1.5 million in Federal Transit assistance, and slightly more than $1 million in funding from the Federal Aviation Administration.

This funding is helping the people of Southern West Virginia rebuild their infrastructure and a better economic outlook. I commend President Obama, JR Biden Chairman Oberstar, and Secretary LaHood for making these investments a reality.

Though the economy is slowly improving, times are still tough for people throughout the nation. And I believe that we, on this Committee, really understand that government-inspired job creation efforts, particularly in places like Southern West Virginia, cannot succeed without the presence of basic infrastructure, like roads. And so, as we look ahead, we can clearly see that the challenge of advancing a reauthorization bill is a critical to our efforts to improve the economy. That is something upon which I think we can all – on both sides of the aisle – agree.

Mr. Chairman, thank you again for holding this hearing and for allowing me the opportunity to address the Committee.

Dave Freudenthal
Governor

Wyoming
Department of Transportation

"Providing a safe, high quality, and efficient transportation system"

5300 Bishop Boulevard
Cheyenne, Wyoming 82009-3340
307 777 4484

John F. Cox
Director

Statement of

JOHN F. COX, DIRECTOR
WYOMING DEPARTMENT OF TRANSPORTATION

Before the

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
UNITED STATES HOUSE OF REPRESENTATIVES

Regarding

IMPLEMENTATION OF TRANSPORTATION PROVISIONS OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

WASHINGTON, D.C.
OCTOBER 1, 2009

Statement of
JOHN F. COX, DIRECTOR
WYOMING DEPARTMENT OF TRANSPORTATION
Before the
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
UNITED STATES HOUSE OF REPRESENTATIVES
Regarding
IMPLEMENTATION OF TRANSPORTATION PROVISIONS OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009
OCTOBER 1, 2009

Chairman Oberstar, Ranking Member Mica, and Members of the Committee:

I am John Cox, Director and chief executive of the Wyoming Department of Transportation (WYDOT). On behalf of Governor Freudenthal, I want to thank you for the invitation to appear before you today to discuss Wyoming's progress and success in implementing the highway provisions of the American Recovery and Reinvestment Act of 2009 (ARRA).

At the outset, Mr. Chairman, let me make clear that we very much appreciate your leadership, and this Committee's efforts, in helping secure recovery act funds for transportation. There are others to thank as well. However, I'd be remiss if I did not begin by acknowledging your excellent efforts to provide funding for transportation in the recovery legislation.

Turning to the matter at hand, we were thrilled to hear from you, Mr. Chairman, just a few weeks ago, that a recent report by this Committee ranked Wyoming first among all the states in terms of promptly investing highway funds made available by the recovery legislation. That, we assume, is why we have been invited to appear today.

Accordingly, in my statement I'll cover points related to that ranking and related issues:

- First, I'll briefly update the Committee on our efforts, in terms of funds obligated and awarded and other important data.
- Next, I'll offer a few observations about why we think we were successful in putting these needed funds to work promptly.
- Finally, I'll note that we'd like to have the chance to do even more of this good work. We have many transportation needs in Wyoming, and making investments to meet those needs would advance national interests. Wyoming is a bridge state, Mr. Chairman. Good highways across our state benefit interstate commerce and the citizens of other states. As Congress works to pass a long-term transportation funding bill, I trust you will understand that Wyoming is certainly hoping to receive a share of the new program at least equal to its share under current law—so we can meet as many of those needs as possible.

100 Percent of Wyoming's ARRA Highway Funds Have Been Obligated and Over 99 Percent are Awarded to Contract

Wyoming has worked hard to put its ARRA highway funds to work promptly. As we meet here today, a full 100 percent of WYDOT's 157.6 million in apportioned ARRA highway funds have been obligated. Over 99 percent of our ARRA highway apportionment dollars have been awarded to contract. The final fraction of one percent to be put out to bid consists of three local enhancement projects that will be advertised soon. Projects involving more than 95 percent of our funds are underway, with several projects nearing completion. Through September 23, we have expended $45.7 million of our ARRA highway funds. Through August, the last period for which reporting has been completed, Wyoming has reported 1,739 jobs created or sustained through ARRA highway projects. As a result of competitive bids that came in below our estimates, we were able to add additional projects to our ARRA program to further infrastructure improvement and job creation.

In advancing funds promptly, WYDOT has also met all requirements and filed all reports and other documentation relative to ARRA. We will continue to meet those requirements. For example:

Wyoming has achieved widespread geographical distribution with its ARRA highway funds by obligating projects in 22 of Wyoming's 23 counties. No projects have been obligated in Sublette County, but this county is the focus of a highway-related Transportation Investment Generating Economic Recovery (TIGER) discretionary grant application to the U.S. Department of Transportation. In addition, one county in the state is currently designated on Federal Highway Administration (FHWA) maps as economically distressed. Projects that include that county (Big Horn County) are being supported with a share of Wyoming's ARRA highway funds that is over twice that county's proportion of Wyoming's population.

As I mentioned previously, we have reported 1,739 jobs created or sustained from Wyoming's ARRA highway projects. These jobs are in addition to the contractors' full-time workforces and, since ARRA projects are underway throughout the state, the economic benefits are accruing statewide. It is also worth noting that each job is paid the prevailing federal wage scale—further enhancing the economic benefit to local economies and the state. These benefits, of course, are especially welcome in economically distressed areas.

Let me also take a moment to mention some of the specific projects that we have funded under the ARRA highway program. Like the projects we support under the regular federal-aid program, they advance the national interest in a connected highway and transportation system that serves people and business from all over the country. For example, with ARRA funds we have invested more than $40 million to improve Interstate 80 across southern Wyoming. These I-80 projects range from snow fence replacement to bridge deck repair and overlay. I-80 is an important route for both freight transport and tourism.

Speaking of tourism, one of our ARRA projects will improve pathways in Teton County north of Jackson near Grand Teton National Park. Other projects will improve tourist access to

Yellowstone and the other natural wonders and recreational sites throughout the state, such as pavement overlay on Interstate 90 near Devils Tower National Monument and paving a portion of Sage Creek Road leading to the Medicine Bow National Forest in Carbon County. Although such projects may not serve high volume routes, they are important. When a citizen or entire family heads to scenic Wyoming, whether from a West Coast city or from the East or Midwest, they expect a high quality road to take them to Yellowstone or Grand Teton, even though they may use it only once or twice in their lives. Simply, part of the purpose of our federal transportation programs is to ensure that we have succeeded in creating and maintaining a well connected system—whether for tourism, freight, agriculture, natural resource extraction, or other purposes.

We want to assure this Committee that we in Wyoming are doing our share to support the system in the national interest. We are pleased that we furthered those interests by prompt deployment of ARRA highway funds. These funds have allowed us to move worthwhile projects forward quickly and focus more of our regular federal-aid funds on important longer-term initiatives.

In furthering these goals, as it now stands, we expect all of our ARRA highway projects to be completed by the end of 2010. We hope that Congress holds to deadlines in the bill so that the ARRA can achieve the timely economic benefit originally intended. I know that Governor Freudenthal shares this sentiment.

Moreover, Mr. Chairman, we would also welcome the chance to obligate even more funding if it were to become available.

How We Were Able to Implement the Program So Promptly

Let me now turn to the process the Wyoming Department of Transportation used to obligate its funds so quickly. As I'll explain, WYDOT began to assemble candidate projects before ARRA passed Congress, which made it much easier to obligate funds shortly after enactment of the law and apportionment of the funds. Many of these projects were designed and sitting on the shelf waiting for funding.

A key factor was the leadership of Governor Freudenthal, who took an active role in guiding our state agencies in planning for implementation of the recovery legislation—and began that work well before the bill was passed by the Congress. That leadership included his consultation with our state legislature. As a result, when it came time for WYDOT to implement the legislation, the Governor and the legislature were supportive of our efforts, and we were able to focus on implementation using our existing Transportation Commission process for approving projects and awarding contracts.

Returning to our specific role, in the months before the Recovery and Reinvestment Act became law, WYDOT anticipated legislation and, working closely with our FHWA Division office, we began reviewing and analyzing projects to determine which ones could be let to contract within 150 days. WYDOT's analysis produced a list of 111 projects with an estimated cost of over $402.8 million. As the department continued to review highway needs, the total funding estimate for projects that could be let within one year grew to more than $600 million. Keeping in mind that our annual federal-aid construction program includes about $226 million per year in obligation authority, you can see that we had identified a backlog of nearly three years' worth of projects that could be readied for contract in a very short time.

So, when the American Recovery and Reinvestment Act of 2009 was signed into law, WYDOT was ready to act.

It was clear at that time, as it is now, that the nation needed swift action to counter economic conditions. We thought that bid prices would be most competitive in the early months following passage of the stimulus package, as contractors would be eager to become involved. The possibility of obtaining additional funds should any other states not meet their June obligation deadline was an additional incentive. Finally, we considered our climate-dictated short construction season. With these notions in mind, WYDOT determined to act as quickly as possible to obligate its ARRA highway funds.

Another factor that helped was that stimulus money did not have to be matched with non-federal dollars. Let me be clear, had there been a match requirement, we would have worked hard to meet it, but it would have been much more difficult for us (and other states) to obligate funds as quickly as we have.

It also helped that the money was subject to current law, to the current way of advancing projects—with a few changes, to be sure. We understand and fully respect that additional reporting and recordkeeping was requested. We also respect the additional emphasis given to making investments in economically distressed areas. But, basically, we were given the opportunity to move money through a familiar process. Significant process or program changes or other complications might have slowed our pace.

Working from the lists of ready-to-go projects previously compiled, and integrating the priorities and requirements identified in the bill, WYDOT assembled a project list. This list was then scheduled into a series of lettings for awarding contracts. Lettings occurred twice during April and three times during May. Stimulus projects were also let in July and September. It should be noted that, in addition to ARRA work, WYDOT also let projects using its regular federal and state funding this spring and summer.

When the June deadline arrived, all states had met the ARRA obligation deadline. Additional ARRA highway funding thus did not become available. Nonetheless, WYDOT's efforts to obligate projects quickly paid economic dividends. As we anticipated, contract award prices were generally below our engineer's estimates, especially in the early lettings.

Let me add that we have also completely obligated the funds from our regular 2009 federal-aid highway program. Further, we have also obligated the $7.6 million in additional obligation authority WYDOT received from the so-called August 2009 redistribution of federal highway funds.

Though this testimony focuses on our implementation of ARRA highway funding, I want to add that Wyoming is also advancing transit and airport projects under the recovery act. For transit, WYDOT is administering $6.9 million worth of projects with local providers and passing through a total of $2.3 million for use within the metropolitan planning organization areas for Casper and Cheyenne, Wyoming's two largest cities. Additionally, we are overseeing a $3.5 million airport project in Riverton, while the airport in Jackson received a $5 million grant directly from the Federal Aviation Administration. In all cases we are moving expeditiously.

We're Looking Forward to Making Additional Transportation Investments

Before concluding, I'd like to emphasize our eagerness to have the opportunity to continue this work and make additional transportation investments. The Congress, with particular help from the Chairman and this Committee, was able to provide welcome additional funding for transportation in the recovery act. With our state's share of the recovery act's transportation funding, we were able to put the money out on the street—literally—extremely promptly, and we believe in an effective way for long-term benefits.

As important as the recovery act is, though, we all have to keep looking forward all the time. For our part, we certainly intend to continue to work as efficiently and effectively as possible to use all federal funds that are made available to maintain and improve the transportation system, for the benefit of Wyoming and the nation.

We have large needs in our sizable state, with long stretches of road to maintain and, in some cases, improve. So, I trust that you understand that we certainly hope that rural states such as Wyoming can receive a strong share of funding under the next authorization bill for highways, transit, and surface transportation safety programs.

As some Members of this Committee may not be familiar with our part of the country, let me briefly note why we believe that federal transportation investment in our state and region is in the national interest. In particular, our highways are a bridge for through traffic. Trucks moving between the West Coast ports and Chicago, for example, cross our state, so the highway benefits citizens at both ends of the movement.

Our federal highways also benefit tourism, providing visitors from all over the nation and the world access to scenic wonders like Yellowstone and Grand Teton National parks and the Devils Tower National Monument.

These roads enable crops, forest products, and other natural resources to move to market. They help serve the nation's natural gas and other energy industries, located largely in rural areas. These roads serve new wind energy facilities—and Wyoming is a leader in developing that green energy. Investments in roads in our state also help ensure that rural Native American reservations are connected to the nation's transportation network.

Yet, a rural state like Wyoming faces severe transportation funding challenges. We can't provide these benefits without strong federal help. We are geographically large, and over 50 percent of our state's land is under federal control. Yet our population density is low. We have very few people to support each lane mile of federal-aid highway. The national average is 129 people per federal-aid lane mile. In my state the number is 29, less than one-fourth the national average.

Though we know needs exist throughout the country, we wanted to be sure to note that strong funding for transportation in a rural state like Wyoming is also in the national interest.

And we are confident that we could promptly put to good use all funds that future legislation would provide, just as we have done with stimulus funds.

Conclusion

In closing, I again want to thank you, Mr. Chairman, for the opportunity to appear here today. I also want to express Wyoming's appreciation for the additional transportation funds provided by the American Recovery and Reinvestment Act—and for the important role you and this Committee played in advancing that funding.

I believe that our department has proven itself up to the task of quickly delivering worthy projects to stimulate the economy by creating and sustaining jobs, investing in long-term highway infrastructure needs, and meeting all other requirements of the ARRA. We look forward to continuing to work with Congress in making further progress on transportation investments in Wyoming and the nation.

That concludes my testimony. I'll be happy to respond to any questions that you might have.

****

American Road & Transportation Builders Association

Testimony of

Charles Gallagher
President, Gallagher Asphalt Corporation
on behalf of the
American Road and Transportation Builders Association

Submitted to:
Committee on Transportation and Infrastructure
U.S. House of Representatives

Hearing:
Progress on Implementing the American Recovery and Reinvestment Act of 2009

October 1, 2009

American Road & Transportation Builders Association
1219 28th Street, N.W.
Washington, D.C. 20007
(202) 289-4434

Testimony of Charles Gallagher
President, Gallagher Asphalt Corporation

On behalf of the American Road and Transportation Builders Association

Hearing:
Progress on Implementing the American Recovery and Reinvestment Act of 2009

House Committee on Transportation and Infrastructure
October 1, 2009

Chairman Oberstar, Congressman Mica, members of the Committee, thank you very much for inviting the American Road and Transportation Builders Association to testify on implementation of the American Recovery and Reinvestment Act (ARRA). I am Charles Gallagher, President and owner of Gallagher Asphalt Corporation, a past chairman and current board member of the Illinois Road and Transportation Builders Association.

I am here today on behalf of the American Road and Transportation Builders Association.

I have been asked to provide the Gallagher company's perspective on the impact of ARRA funds to date.

To best understand what the ARRA has done for the employees of Gallagher, I would like to tell you who we are.

Gallagher Asphalt was founded by my grandfather James F. Gallagher in June, 1928, 17 months prior to the Great Depression. Gallagher Asphalt is now owned by a third generation of Gallaghers, myself included.

I like to say that Gallagher is "family owned and operated." By that I mean the Gallagher family owns the company, but it is "operated" by the families of Gallagher. There are over 20 families unrelated to me that work for Gallagher: fathers, sons, mothers and daughters, husbands, and wives, etc. We are a connected group.

Our work force is made up of 30 percent minorities and 7 percent female—exceeding the federal guidelines.

There are over 50 people that have earned the Gallagher "Ring" for 25 years of service. We are proud to have a highly tenured group in an industry known for its heavy employee turnover.

The ARRA provided $48 billion for transportation improvements. The bill's primary purpose was to sustain and create jobs in transportation construction by providing federal funds for projects that could be started quickly. The ARRA provided $27.5 billion for highway improvements, $1.1 billion for airport improvements, $8.4 billion for public transportation, $8 billion for high speed rail and $1.5 billion of discretionary funds for large transportation projects. To assure quick use of the funds, the bill put very strict time limits on the award or obligation of the funds.

For example, it required that half of the $18 billion of the highway funds apportioned to state governments (approximately $9 billion goes directly to local governments), and half the airport funds, be obligated within 120 days, while half the transit formula grant funds had to be awarded within 180 days. Of the remaining highway funds, the bill requires that any amounts not obligated by March 2010 must be returned to FHWA for redistribution to other recipients, and virtually all of the funds provided by the bill must be obligated by the end of FY 2010. The hope was that projects would be started quickly, generating jobs in the construction industry and the many industries that provide materials and services to construction contractors.

Is the bill working? The answer is "yes," and my company is an example of just how it is working.

Gallagher was low bidder and awarded eight ARRA projects, totaling just over $15 million dollars between April and June of this year.

These projects directly employed 259 hourly men and women on the crews, of which 29 were new hires.

The projects were mainly grind, patch, and overlay projects that have or will be completed within the next 4 weeks.

There are periodic reports in the media expressing concern state DOTs are not getting projects underway fast enough. For the MTV generation with a three-second attention span, there may be disappointment that thousands of highway and other construction projects did not spring up overnight. But by any reasonable measure, the ARRA transportation improvement program is doing exactly what Congress intended it to do.

Highways and bridges

Highway funding was the largest element of the program and every performance measure indicates it is working well and having a significant impact.

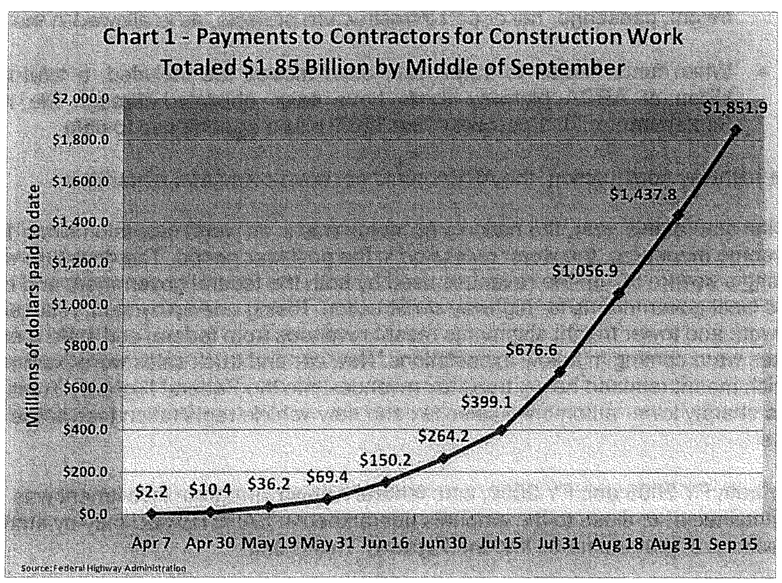
- Every state met the requirement that 50 percent of the funds apportioned to the state DOT had to be obligated within the first 120 days. No state had to turn back funds to be reallocated to other states. The Congressional Budget Office's (CBO) initial projection that many states would turn back funds was dead wrong.

- Just six months after the Federal Highway Administration apportioned the ARRA highway funds to the states, state and local transportation agencies have obligated $18.4 billion or 68.9 percent for highway projects. This is a much faster pace than under the regular federal highway program.

- There are now 3,966 ARRA-financed projects under construction, including more than 600 that got underway in September. Projects are under construction in all 50 states, the District of Columbia, Puerto Rico and on Federal Lands. These projects are valued at $11.01 billion, representing more than 40 percent of ARRA highway funds.

- While no state has yet obligated all of its ARRA highway funds, seven states have obligated more than 90 percent including the District of Columbia, Iowa, Maine, New Hampshire, Utah, West Virginia and Wyoming, while a total of 18 states have obligated at least 75 percent of their ARRA highway stimulus funds. No state has obligated less than 44 percent of state and local highway stimulus funds.

- As Chart 1 shows, payments to contractors for work performed have been growing at an exponential rate, hitting $1.85 billion by the middle of September. At this rate, total payments to contractors during FY 2009, which ended yesterday, should be close to $2.5 billion, which is well above the $1.9 billion projected by the CBO. By the end of the calendar year, payments to contractors should hit $5 billion or more.



- Both my state of Illinois and the Chairman's state of Minnesota are among the leading states in making use of ARRA highway funds. As of September 15, Illinois had obligated more than 80 percent of its funds while Minnesota had obligated more than 70 percent, both above the national average. But where both states excel is in getting projects underway, making payments to contractors for construction work performed, and supporting jobs.

- Illinois leads all states in total payments to contractors, at just over $224 million to date. This represents 24 percent of Illinois's ARRA funds, which puts it among the top nine states in terms of ARRA construction work performed and supporting jobs. Minnesota is also among the top nine states, having already paid out 21 percent of its ARRA funds to contractors for work performed and supporting jobs.

- Maine is the leading state in terms of percent of its ARRA funds paid to contractors for construction work performed, just over 45 percent. Through mid-September, nine states – Illinois, Iowa, Maine, Minnesota, Oklahoma, South Dakota, Utah, Vermont and Wyoming -- have paid over 20 percent of their ARRA funds to contractors, while a total of 18 states have paid out more than 10 percent. Only one state, Hawaii, has not made any payments to contractors to date.

- Nineteen states have obligated $336.8 million of ARRA highway funds for non-highway investments. This includes $288.4 million that has been flexed to transit, including $175 million by the state of New York. Five states (North Dakota, Ohio, Oregon, Virginia and Washington) have obligated a total of $48.5 million for freight, passenger rail or port infrastructure projects, as is allowed in the bill.

- When funds flexed to transit and other modes are included, a total of $18.86 billion of ARRA highway funds have been obligated through the middle of September, or 70.1 percent of the $26.9 billion apportioned to date.

For highway construction, the ARRA could not have come at a better time.

At the start of this year, the nation's economy was in its worst recession since 1982 and, by some measures, the worst recession in the post-war period. The downturn was taking a severe toll on the revenues used by both the federal government and by state and local governments for highway construction. Rising unemployment, reduced travel to work and lower freight shipments meant revenues from federal and state motor fuels taxes were coming in below expectations. New car and truck sales were plummeting, which meant reduced heavy truck tax revenues into the Federal Highway Trust Fund and sharply lower automobile sales tax and new vehicle registration fees at the state level.

For both FY 2008 and FY 2009, core federal highway program investment was maintained at or close to the amounts guaranteed in SAFETEA-LU only by emergency injections of general funds into the Highway Trust Fund.

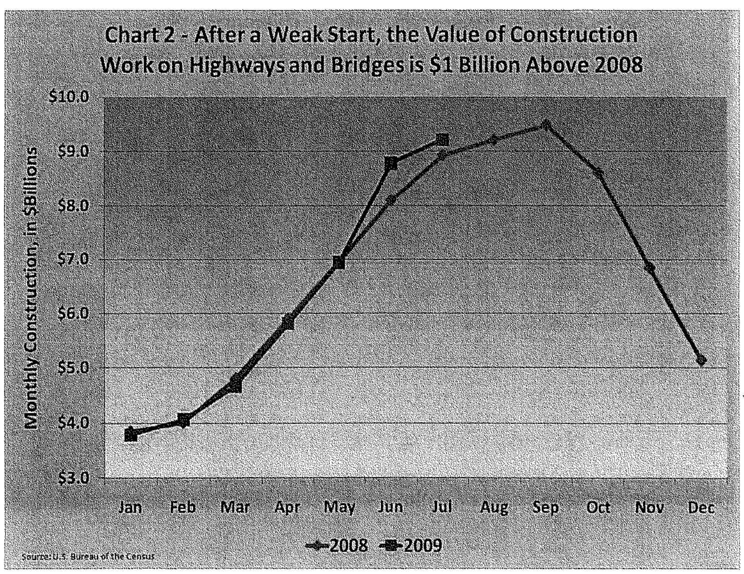
States Reducing Highway Construction Programs

FY2009		FY2010	
Arizona	North Carolina	Arizona	Minnesota
California	Oregon	California	New Jersey
Georgia	Pennsylvania	Delaware	New York
Louisiana	South Carolina	Georgia	North Carolina
Massachusetts	Utah	Idaho	South Carolina
Michigan	Virginia	Illinois	Utah
Mississippi	Washington	Louisiana	Virginia
New Jersey		Maine	West Virginia
		Massachusetts	Washington
		Michigan	

Unfortunately, at the same time, many states responded to the reduced revenues situation by cutting back on their use of state revenues to fund their highway and transit plans. According to surveys conducted by the National Association of State Budget Officers and the National Governors Association, 15 states reduced their state funding for planned highway investment during fiscal year 2009, which for most states ran from July 2008 through June 2009. The latest NASBO-NGA survey finds 19 states—including my state of Illinois—plan to cut their own highway investment in FY 2010.

The fact is, absent ARRA funding, the highway construction market in many states would have significantly declined this year, with a corresponding loss of thousands more American jobs.

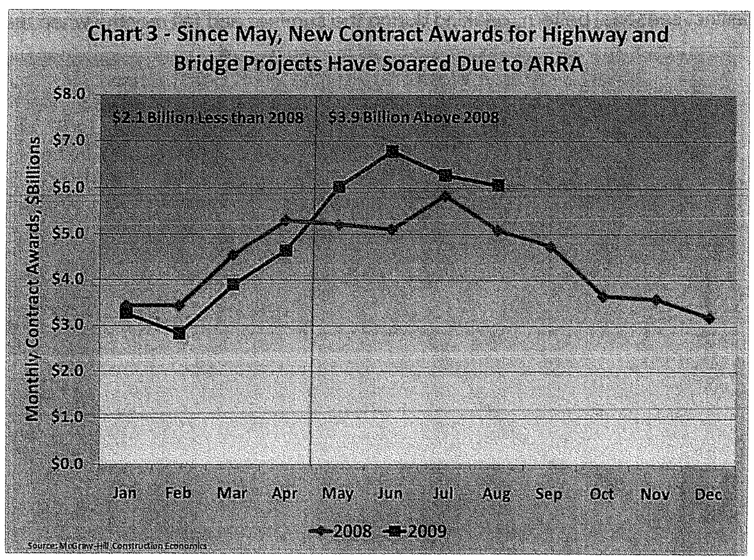
Chart 2 below shows the value of construction work put in place on highway, bridge and related construction projects each month so far during 2009 compared to the same months of 2008. Because highway construction outdoors, construction activity exhibits a distinct seasonal pattern, peaking during the summer and fall months when the



weather is good and then declining to a mid-winter low. The chart shows that during the early months of 2009, before the ARRA highway stimulus program had any chance to take effect, the value of construction work being performed on highways and bridges was showing no growth compared to the same months of 2008. And that, or worse, is very likely what we would have seen throughout 2009 without the ARRA.

But that pattern changed significantly in June and July, as construction work began on a number of ARRA-financed projects. During June and July this year, $1 billion more construction work was performed on highway and bridge projects than during June and July of 2008. Given the fact there was no increase in funding for the regular federal highway program in FY 2009 and at least 15 states cut their own funding for highway construction, there is no question the increase in highway construction spending in June and July was due to the ARRA.

The impact of the ARRA is even more evident in the data on new contracts awarded by state and local DOTs for highway and bridge construction projects. As Chart 3 shows, during the first four months of 2009, state and local DOTs awarded $2.1 billion fewer contracts for highway and bridge construction projects than during the same months of 2008, reflecting recession-driven cuts to state and local highway funding. Since then—between May and August—the value of new contracts for highways and bridges has exceeded 2008 by almost $4 billion, with the ARRA more than offsetting state and local budgetary difficulties.



And there are still more improvements to come. So far during September, construction work has begun on more than 600 new ARRA-funded highway and bridge construction projects. In addition, almost $7.6 billion has been obligated for projects that have not yet gotten underway, and another $8 billion has yet to be obligated. Both OMB and CBO expect the ARRA to finance more than $10 billion of construction work on highways and bridges during the 2010 construction season, which should help sustain and build on the improvements this year.

Our one concern with implementation of the ARRA highway funds is that none of the $550 million allocated to Indian reservations and federal lands has yet been obligated for projects. These were funds directly under the control of the federal government and it is a shame none of that money has yet gotten into the construction stream.

Before moving to airport construction, I would like to point out that the boost to highway construction from the ARRA may be even more powerful than these charts indicate because highway construction costs are lower this year than last year. Based on what we are seeing so far in the inflation data, the cost of building a highway or bridge this year will be about 4.5 to 6 percent less than last year.

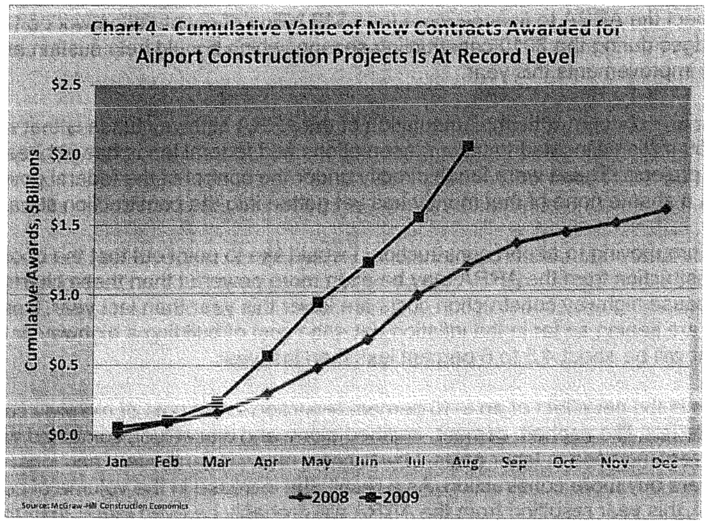
This is the net effect of an 8-10 percent reduction in the cost of highway construction materials, like asphalt, cement, crushed stone and diesel fuel, combined with a 3-4 percent increase in labor costs. Lower costs mean federal, state and local highway dollars buy more construction. As a result, the increase in the volume of construction work this year resulting from the ARRA will probably be even larger than the dollar figures in my testimony.

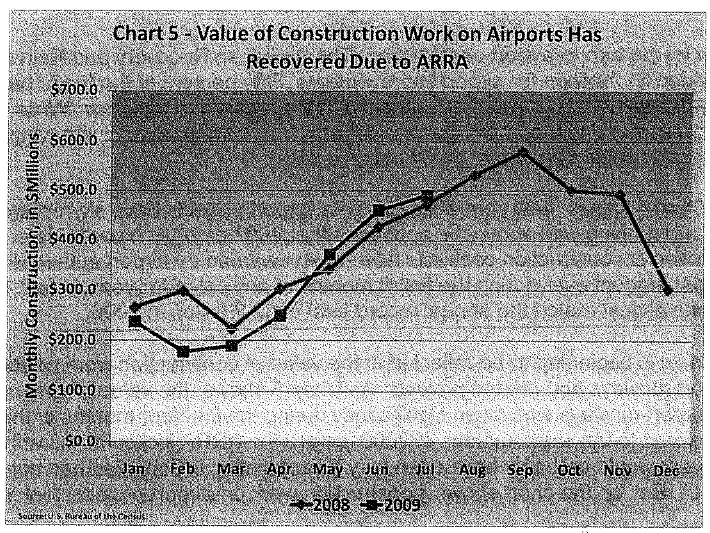
Airports

Now let me turn to airport construction. The American Recovery and Reinvestment Act provided $1.1 billion for airport improvements. Fifty percent of the funds had to be awarded within 120 days of enactment and the rest within one year. While this is a much smaller dollar amount than the bill provided for highways, it is having an equally significant impact on airport construction activity.

As Chart 4 shows, new contract awards for airport projects have skyrocketed since April and are running well above the pace for either 2007 or 2008. Year-to-date, more than $2 billion of construction contracts have been awarded by airport authorities, by far the largest amount ever during the first 8 months of any calendar year. In fact, the awards to date almost match the annual record total of $2.2 billion in 2006.

And this is beginning to be reflected in the value of construction work performed on airport runways and related projects. As Chart 5 shows, the value of construction work on airport runways was down significantly during the first four months of this year when compared to the same months of 2008, before the ARRA kicked in. As with highways, the year would probably have been very disappointing if Congress had not enacted the ARRA. But, as the chart shows, construction work on airport projects took off in May and we are now seeing increases compared to the same months last year. And again, as with highways, I think this is very strong evidence that the ARRA is having a welcome impact on transportation construction.





Transit and high speed rail

The ARRA provided $8.4 billion for transit and $8 billion for high speed rail. Only a fraction of the transit funds, $1.5 billion, involve potential construction activities. It will be harder to discern the impact of those funds since the value of construction work on subways and light rail systems is already proceeding at a record level; furthermore, priority for the $750 million of capital investment grants was given to projects already under construction so we should not see any impact on new contract awards. The high speed rail funds have not yet been awarded so it is too early to see any results in construction activity. But when those projects get underway, the industry will be ready to start construction and generate even more jobs.

Conclusion

In summary, Mr. Chairman, the ARRA is doing what it was supposed to. Federal funds are being obligated at a rapid pace, projects are being started, construction work is being performed, and many contractors across the nation have been able to sustain—if not add to—their workforce.

This year, the value of construction work performed on transportation projects will be above 2008 levels solely because of the ARRA. Without the ARRA, transportation construction would be flat or—most likely--down. That's the real story. Contrary to the perception of many, ARRA has not "supercharged" the transportation construction market. In almost a third of the states, federal ARRA dollars are offsetting state-imposed transportation budget cuts. In those states, ARRA is a welcome band-aid.

The American public, the Congress and the President also need to understand that the ARRA provides only a temporary solution. It will continue to support transportation construction work and jobs in 2010, but after that its impact will phase down quickly. Many of the jobs supported by the bill this year and next will then begin to disappear.

Furthermore, because of the bill's emphasis on quick-start projects, ARRA funds are making no dent in addressing the critical and costly long-term upgrades to our highways, airports and transit systems that are needed to help ensure the nation's future economic growth and competitiveness.

To sustain and build on the ARRA and re-energize the long-term growth potential of the United States, the most important action Congress could take would be to enact a six-year surface transportation authorization bill at the $500 billion funding level proposed by you and your Committee as soon as possible.

Thank you for the opportunity to testify, and I will be happy to answer any questions.

STATEMENT OF
THE HONORABLE RAY LAHOOD
SECRETARY OF TRANSPORTATION

BEFORE THE
COMMITTEE ON TRANSPORTATION AND INFRASTRUCUTRE
U.S. HOUSE OF REPRESENTATIVES

October 1, 2009

Chairman Oberstar, Ranking Member Mica, and Members of the Committee, thank you for the opportunity to appear before you today to discuss the U.S. Department of Transportation's (DOT) progress in implementing the American Recovery and Reinvestment Act of 2009 (Recovery Act). Last April, I appeared before this Committee and shared with you our initial efforts to get Recovery Act funds out-the-door and working to support transportation projects across the Nation. Today, I want to share with you our recent accomplishments in using Recovery Act dollars to improve our transportation infrastructure, create thousands of jobs, and strengthen our economy.

Let me start with a current report on our implementation progress. The Recovery Act provided $48.1 billion to improve highway, transit, rail, air, and maritime infrastructure. As we complete the 32nd week of implementation, the DOT has obligated $29.4 billion – or over 60% of DOT's total Recovery Act funds – on over 9,000 projects nationwide. Recovery Act dollars are also making their way through the Federal financial pipeline. To date, almost $3.4 billion has been disbursed from the U.S. Treasury to pay bills associated with Recovery Act activities. This is substantial progress since the enactment of the Recovery Act, and both the DOT and our State and local partners share in this success.

A major portion of DOT's Recovery Act resources are at work improving our highways and bridges. Of the $27.1 billion appropriated specifically to the Federal Highway Administration (FHWA), $19.4 billion – or about 72% -- has been obligated to support work on more than 8,000 projects in all 50 States, the District of Columbia, and in the U.S. territories. Recovery Act-funded highway and bridge projects are chosen from the State DOTs' Transportation Improvement Plans using the identical process that is used for annually apportioned formula funds. This process begins when a State selects a project and then sends out invitations for bids. Bids are received and reviewed and a contract is ultimately awarded and funds are "obligated". At this point, the winning contractor begins hiring a project work force and orders needed supplies and equipment. This is the point in the process when the project is considered to be "underway" and the point at which jobs are created. When each segment of the construction is completed satisfactorily, the contractor submits bills to the State and the State pays the contractor directly. States then request reimbursement of its expenses from the FHWA. The process is completed when FHWA reimburses the State. Typically, this entire process takes several weeks.

Highway projects funded using ARRA dollars range in size from road resurfacing projects to ones like the $128 million third-phase of the Interstate-215 widening project in San Bernardino, California. When all phases are fully completed, this $800 million, 7.5 mile-long project will help one of America's most economically distressed communities. The third-phase alone will create jobs for 2,000 workers in its first year, improving access to one of the largest and fastest growing hubs serving international and regional trade and the San Bernardino International Airport. This project will provide major benefits to the region. It will greatly ease congestion along a route that is expected to grow from an estimated 83,000 drivers daily to 130,000 in the next twenty years. At the same time, the opening of a major artery for goods shipped in and out of the Ports of Los Angeles and Long Beach will revitalize the region's economy.

The San Bernardino project is just one example of the approximately 8,000 projects where Recovery Act funds are helping to improve roads and bridges while at the same time strengthening local economies in communities across the Nation. We recognize the important role Recovery Act funds play in helping local economies – and particularly those in economically distressed areas. Since the Recovery Act implementation began, DOT has been urging States and localities to focus on reaching those communities with the greatest needs. Based on FHWA's recent State-by-State data, this effort is succeeding, and 59 percent of highway Recovery Act funds are currently obligated on projects in economically distressed areas (see Attachment).

I am pleased to announce that the Federal Transit Administration (FTA) met the Recovery Act requirement to award half of its funds by September 1. In fact, working with nearly 600 transit agencies nationwide, the FTA not only met this requirement, they significantly exceeded it by awarding nearly 90 percent of these grant funds by the September 1 deadline. To date the FTA has awarded 683 grants for a total obligation of $7.4 billion. Of the 9,933 transit vehicles funded, 8,216 or 83% are for replacement vehicles that will enable Transit agencies to retire aging equipment. Replacing old equipment improves service safety and reliability, reduces emissions, and results in operating efficiencies. The remaining 17% of transit vehicles funded will be used to expand transit services. Nearly half of these additional vehicles are vans or sedans for service to the elderly and individuals with disabilities or will be used to expand rural transit services. In addition, the FTA has processed over a quarter of a billion dollars in FHWA Recovery Act funds where States and localities have chosen to "flex" highway resources to transit investments.

Last week, I announced $100 million in grants for transit projects focused on reducing greenhouse gases and fuel consumption. The funds were awarded under the Transit Investments for Greenhouse Gas and Energy Reduction (TIGGER) Discretionary Grant Program. FTA received proposals for 560 projects seeking over $2 billion in funds. The extent and variety of proposals demonstrates the untapped potential for transit investment to make this environmentally friendly mode of transportation even greener.

The largest TIGGER award, of $10.9 million, went to Atlanta's Metropolitan Atlanta Rapid Transit Authority (MARTA). MARTA is using the funds to provide bus canopies with solar-paneled roofs at its Laredo Bus Maintenance Facility. The roofs of the structures, fitted with photovoltaic cells, will be the largest solar power photovoltaic installation in Georgia. It will both produce power and reduce the need for energy by lowering summertime temperatures beneath the canopies by as much as 50 degrees. This will lower bus fuel consumption, reduce the need for air conditioning, and enhance the work environment for MARTA workers. In addition to all these benefits, this project will generate 32 new jobs.

Highway and Transit projects only tell part of the story. Airports throughout the country are also benefiting from Recovery Act Funds. The Recovery Act provided $1.1 billion in funding to the Federal Aviation Administration (FAA) for airport grants to be used to upgrade and improve runways and airport facilities. As of September 29th, the FAA has awarded 99% of these funds. It was initially thought that these funds would support approximately 300 separate airport grant projects. However, contract bid proposals for many of the projects came in considerably under what was expected. As a result, FAA has been able to stretch these funds to support an estimated additional 60 projects. The majority of these additional projects are already underway. As of September 17th, an estimated $998 million of ARRA funds are supporting 309 projects that are under construction or are completed.

FAA has been diligent in ensuring that ARRA projects meet stringent selection requirements. For example, one of FAA's selection guidelines for ARRA projects is a national priority rating of 62 or greater, compared to the goal of 41 used for regular Airport Improvement Program grants. So far, 85 percent of FAA's ARRA grants have exceeded this higher standard for national priority, and all projects selected have met the selection requirements outlined in FAA's ARRA guidance and fully comply with the statutory requirements for FAA's airport grant program, as required in the Recovery Act.

In addition to providing direct financial assistance to airports, the Recovery Act also temporarily removed the usual Alternative Minimum Tax (AMT) requirements from Private Activity Bonds. This has resulted in many of our hub airports being able to finance new debt and refinance existing debt at a significant savings. As of September 24^{th}, U.S. airports have sold over $5 billion in bonds, of which, about $4 billion benefited from the AMT provisions in ARRA. This has saved over a dozen commercial service airports hundreds of millions of dollars resulting in reduced financing costs to airports. These savings can be redirected toward other projects.

For example, San Francisco International Airport estimates that it saved about $1.6 million annually in long-term debt service cost as part of a recent $266 million bond sale. The airport recently issued another $175 million in short term bonds benefiting from the AMT provisions in ARRA. These savings are moving airport infrastructure projects forward and stimulating the economy.

The Maritime Administration received $100 million for the Small Shipyards Grant Program to support infrastructure improvements. In August, the Maritime Administration issued grants for $98 million supporting 70 small shipyard projects in 26 states and Guam. This list of specific projects includes drydocks, steel working machinery, and other infrastructure improvements. MARAD is working closely with the grant recipients as projects get underway.

The Recovery Act expands on a new vision for the future of transportation in America by providing $8 billion to help establish a high speed rail capability. The Federal Railroad Administration (FRA) has worked diligently to develop a high speed rail grant process so potential applicants from across the country can apply for assistance. FRA developed detailed guidance and conducted extensive outreach to ensure that potential applicants understood the application process. After a months-long notification and pre-application process, the Federal Railroad Administration received 214 applications totaling nearly $7 billion in requests for projects that can be completed within two years. FRA is hard at work reviewing these applications so that final awards can be provided soon. A second round of applications for projects that will need the Department's long-term commitment to the development of high speed rail service in specific intercity corridors is due October 2. We are very excited to be at the cusp of this new and exciting transportation opportunity.

The $1.5 billion Discretionary Grant Award established in the Recovery Act represents another new and exciting development in transportation. These Transportation Investments Generating Economic Recovery Grants –known as TIGER grants– were included in the Act to support projects that may not have fit in other Recovery Act categories or projects that are multi-modal or "cutting-edge" in nature. The application process for our TIGER grants closed on September 15, and we are now beginning to review the applications. The response has been overwhelming. We have received 1,380 total applications for TIGER Grants for $56.5 billion in total projects from all fifty States, the District of Columbia, and three of the U.S. Territories. Based on our initial review, we expect the $1.5 billion will only be able to fund fewer than 3 percent of the total number of requests. This response demonstrates a high level of interest in the TIGER Grant process and a tremendous need for infrastructure project support. We intend to announce the grants in advance of the February 2010 deadline.

Finally, I want to note the important contribution the Car Allowance Rebate System (CARS) -- nicknamed the "Cash for Clunkers" program -- has made in generating economic benefits across America. Although the CARS program was not included in the Recovery Act, it has been one of the bright stars in our efforts to get the economy moving again. CARS has succeeded beyond everyone's expectations, and we can all take pride in what we have accomplished. During CARS, a total of 694,877 cars were sold from 21,208 automobile dealerships throughout America. So far, we have paid out more than $2.8 billion in rebates with an additional 7,098 applications worth $28.8 million in final review. It appears that consumer spending posted a solid gain in the third quarter – thanks in part to the CARS program. In August alone, retail sales rose by 2.7 percent, due in large part to a notable 10.6 percent boost in auto sales by dealers. For the auto industry itself, the CARS program delivered a real bright spot – producing one of the largest two-month spikes in auto sales on record. In addition, we provided a much-needed jolt to auto manufacturing in the U.S., with Ford, GM, Toyota, and Honda announcing production increases in the third or fourth quarter – or both. That's great news for the men and women who depend on these auto manufacturing jobs. We also have helped consumers ditch costly gas-guzzlers for safer, more fuel-efficient vehicles that are much better for the environment. In fact, new vehicles purchased under the CARS program were 60 percent more efficient than the trade-ins on average. Above all, we've shown that when the federal government and the private sector team up to take bold action, the American public benefits.

I am pleased with the progress we are continuing to make in ensuring Recovery Act dollars are working to support transportation projects in communities throughout the country. I also want to take this opportunity to thank the Governors, the State Secretaries of Transportation and our other State and local partners for their hard work in making the Recovery Act a success. With your help, the help of the Congress and the leadership of President Obama we are "Putting Americans Back to Work.". Thank you for the opportunity to appear before you today, and I will be happy to answer your questions.

# # #

Attachment 1

FHWA ARRA Projects in Economically Distressed Areas (EDA)

as of August 31, 2009

	EDA Projects Only				Total		
	Number of Projects	Total ARRA Funds Obligated	Percent of Projects	Percent of Funds Obligated	Number of Projects	ARRA Funds Obligated	% Population in EDAs
ALABAMA	94	$300,754,183	77.0%	82.8%	122	$363,244,080	56.0%
ALASKA	13	$81,846,961	72.2%	74.2%	18	$110,245,341	35.3%
AMERICAN SAMOA *	1	$4,400,000	100.0%	100.0%	1	$4,400,000	-
ARIZONA	158	$292,852,541	99.4%	100.0%	159	$292,862,541	21.6%
ARKANSAS	66	$131,058,323	88.0%	72.8%	75	$180,078,223	68.3%
CALIFORNIA	452	$1,781,821,669	81.6%	90.1%	554	$1,977,212,869	33.0%
COLORADO	23	$90,931,642	30.7%	31.4%	75	$289,604,854	16.0%
CONNECTICUT	-	$0	0.0%	0.0%	35	$192,444,578	0.0%
DELAWARE	5	$12,014,032	16.7%	21.5%	30	$55,760,647	17.8%
DISTRICT OF COLUMBIA	14	$115,742,908	100.0%	100.0%	14	$115,742,908	100.0%
FLORIDA	130	$201,405,175	34.9%	20.2%	373	$999,182,959	19.7%
GEORGIA	85	$295,817,458	56.7%	52.5%	150	$563,186,128	46.9%
GUAM	5	$18,000,000	100.0%	100.0%	5	$18,000,000	-
HAWAII	6	$25,584,490	50.0%	47.0%	12	$54,407,232	13.6%
IDAHO	34	$97,890,830	89.5%	79.5%	38	$123,083,267	63.0%
ILLINOIS	354	$613,995,545	85.9%	83.2%	412	$738,389,937	22.4%
INDIANA	290	$266,472,627	60.2%	61.6%	482	$432,857,656	40.1%
IOWA	74	$199,437,659	40.2%	62.3%	184	$320,020,404	20.4%
KANSAS	18	$14,698,669	41.9%	6.7%	43	$219,528,343	35.4%
KENTUCKY	32	$172,628,567	69.6%	60.8%	46	$283,801,232	52.8%
LOUISIANA	41	$178,973,113	82.0%	53.7%	50	$333,195,486	34.2%
MAINE	35	$88,678,084	49.3%	67.8%	71	$130,752,032	33.9%
MARYLAND	26	$77,377,164	24.1%	27.2%	[illegible]	[illegible]	15.6%
MASSACHUSETTS	3	$79,406,076	7.9%	39.1%	38	$203,248,843	8.4%
MICHIGAN	327	$438,954,108	87.7%	76.3%	373	$575,337,634	90.7%
MINNESOTA	54	$120,995,838	40.9%	34.3%	132	$352,861,003	21.5%
MISSISSIPPI	66	$268,617,386	94.3%	92.8%	70	$289,368,486	69.5%
MISSOURI	125	$259,108,074	74.0%	66.2%	169	$391,306,345	54.6%
MONTANA	17	$57,408,367	26.6%	43.9%	64	$130,784,272	24.7%
N MARIANA *	1	$4,500,000	100.0%	100.0%	1	$4,500,000	-
NEBRASKA	26	$78,854,514	60.5%	51.1%	43	$154,175,505	27.1%
NEVADA	10	$62,926,218	58.8%	74.8%	17	$84,117,529	8.4%
NEW HAMPSHIRE	-	$0	0.0%	0.0%	26	$122,676,232	0.0%
NEW JERSEY	4	$79,091,298	6.5%	16.7%	62	$472,300,249	6.0%
NEW MEXICO	6	$95,743,476	50.0%	58.7%	12	$163,002,258	54.3%
NEW YORK	179	$300,107,211	50.6%	38.5%	354	$780,502,631	15.7%
NORTH CAROLINA	97	$290,433,697	57.4%	63.8%	169	$455,320,352	46.2%
NORTH DAKOTA	28	$25,794,226	29.2%	29.6%	96	$87,180,097	15.4%
OHIO	173	$416,975,263	90.1%	96.1%	192	$433,771,021	54.6%
OKLAHOMA	131	$299,290,774	79.4%	73.5%	165	$407,285,226	43.3%
OREGON	119	$142,168,311	54.3%	71.5%	219	$198,745,119	32.7%
PENNSYLVANIA	152	$429,118,980	59.8%	49.1%	254	$874,362,248	34.2%
PUERTO RICO *	15	$78,699,028	100.0%	100.0%	15	$78,699,028	-
RHODE ISLAND	48	$104,888,177	98.0%	92.0%	49	$113,949,727	59.6%
SOUTH CAROLINA	67	$151,884,310	74.4%	68.0%	90	$223,328,340	60.7%
SOUTH DAKOTA	13	$63,186,432	76.5%	67.9%	17	$93,113,756	22.2%
TENNESSEE	177	$373,988,390	76.6%	79.6%	231	$469,998,511	40.5%
TEXAS	171	$525,383,369	59.4%	43.7%	288	$1,201,987,023	29.4%
UTAH	47	$89,762,450	48.5%	45.1%	97	$199,202,595	49.9%
VERMONT	10	$40,402,068	34.5%	50.1%	29	$80,674,264	10.3%
VIRGIN ISLANDS *	3	$10,692,498	100.0%	100.0%	3	$10,692,498	-
VIRGINIA	22	$133,338,248	50.0%	48.1%	44	$276,978,203	26.0%
WASHINGTON	145	$332,625,088	81.5%	89.8%	178	$370,397,769	24.1%
WEST VIRGINIA	84	$121,526,709	84.8%	64.3%	99	$189,123,814	66.4%
WISCONSIN	95	$99,777,446	44.8%	27.9%	212	$357,314,391	18.1%
WYOMING	20	$33,958,045	31.7%	21.8%	63	$155,966,058	10.5%
Grand Total	4,391	$10,671,987,715	63.4%	59.0%	6,928	$18,084,916,629	33.3%

Note: Obligated projects as of August 28, 2009. EDA status based on March 13, 2009 HEPGIS map and EDA data in RADS. Does not include projects managed by Federal Lands.

* - EDA criteria are not available for Puerto Rico, the Virgin Islands, and U.S. Territories. For the purpose of this report, all ARRA funding and projects are shown as being in an EDA. The percentage population in EDAs for these areas is not determined and is intentionally left blank.

USDOT TIGER DOT.GOV

DEPARTMENT OF TRANSPORTATION'S IMPLEMENTATION OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

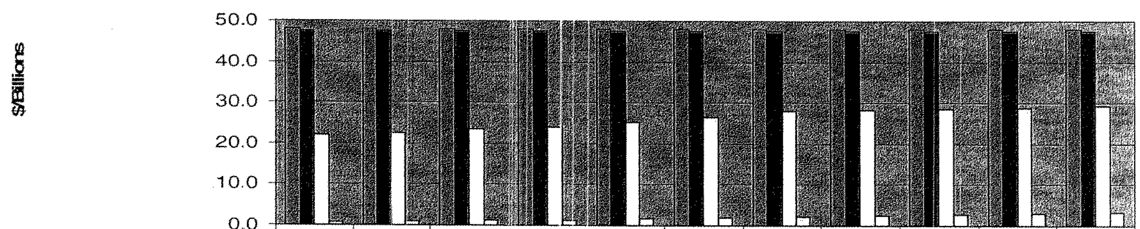
Progress Report

October 1, 2009

DOT OVERALL PROGRESS AS OF September 25th

DOT ARRA Implementation Progress

As of September 25, 2009



	Week 22	Week 23	Week 24	Week 25	Week 26	Week 27	Week 28	Week 29	Week 30	Week 31	Week 32
Total Appropriation	48.1	48.1	48.1	48.1	48.1	48.1	48.1	48.1	48.1	48.1	48.1
Total Announced	47.6	47.6	47.6	47.6	47.6	47.6	47.6	47.6	47.6	47.6	47.6
Total Obligated	21.9	22.5	23.4	23.9	25.2	26.6	28.0	28.3	28.5	28.9	29.4
Total Outlays	0.771	0.916	1.147	1.321	1.737	2.023	2.353	2.621	2.882	3.145	3.397

Projects Underway	3,239	3,343	3,485	4,040	4,344	4,609	4,733	4,818	4,900	4,910	5,501

Obligations and Outlays by Operating Administration

	Week of September 25, 2009	FAA	FHWA	FRA	FTA	MARAD	Sum
AK-ALASKA							
	Total Obligations	81,804,301	121,202,371		41,632,702	1,088,078	245,727,452
	Total Gross Outlays	14,761,098	24,097,180		8,258,212	0	47,116,490
AL-ALABAMA							
	Total Obligations	12,038,042	413,720,062		37,465,620	4,039,954	467,263,678
	Total Gross Outlays	868,647	19,625,764		0	0	20,494,411
AR-ARKANSAS							
	Total Obligations	12,355,978	228,239,423		27,713,893	416,213	268,725,507
	Total Gross Outlays	834,212	43,378,451		1,530,306	0	45,742,969
AS-AMERICAN SAMOA							
	Total Obligations	3,350,000	4,500,000		341,099		8,191,099
	Total Gross Outlays	552,785	0		0		552,785
AZ-ARIZONA							
	Total Obligations	24,594,513	303,605,642		120,472,478		448,672,633
	Total Gross Outlays	3,111,069	31,903,009		39,224,783		74,238,861
CA-CALIFORNIA							
	Total Obligations	70,611,352	2,053,966,968		986,186,847	3,646,575	3,114,411,742
	Total Gross Outlays	5,577,932	26,897,872		195,569,886	0	228,045,690
CO-COLORADO							
	Total Obligations	36,683,904	289,854,854		155,677,974		482,216,732
	Total Gross Outlays	10,434,573	37,843,611		10,253,129		58,531,313
CT-CONNECTICUT							
	Total Obligations	7,841,409	209,560,253		151,066,141	2,947,710	371,415,513
	Total Gross Outlays	66,606	3,213,214		24,163		3,303,983
DC-DISTRICT OF COLUMBIA							
	Total Obligations		109,485,583	1,293,525,000	277,488,222		1,680,498,805
	Total Gross Outlays		1,280,745	98,669,204	2,103,596		102,053,545
DE-DELAWARE							
	Total Obligations	909,806	60,103,958		18,917,211		79,930,975
	Total Gross Outlays	0	6,331,769		0		6,331,769
FL-FLORIDA							
	Total Obligations	50,870,577	986,115,021		283,575,029	16,513,519	1,337,074,146
	Total Gross Outlays	8,425,162	705,049		281,098	0	9,411,309

Obligations and Outlays by Operating Administration

Week of September 25, 2009		FAA	FHWA	FRA	FTA	MARAD	Sum
GA-GEORGIA							
	Total Obligations	25,581,729	566,303,537		122,290,504		714,175,770
	Total Gross Outlays	1,302,894	28,582,369		14,858,667		44,743,930
GU-GUAM							
	Total Obligations	4,807,180	11,050,000		921,976	495,561	17,274,717
	Total Gross Outlays	2,085,900	0		0	0	2,085,900
HI-HAWAII							
	Total Obligations	15,000,000	85,029,727		43,837,376	5,743,741	149,610,844
	Total Gross Outlays	606,458	0		0	0	606,458
IA-IOWA							
	Total Obligations	9,486,457	330,753,205		33,767,390		374,007,052
	Total Gross Outlays	2,973,020	119,940,729		2,152,289		125,066,038
ID-IDAHO							
	Total Obligations	8,873,882	103,932,010		20,734,095		133,539,987
	Total Gross Outlays	2,273,575	8,598,507		596,556		11,468,638
IL-ILLINOIS							
	Total Obligations	46,541,150	776,955,559		455,927,139	2,510,018	1,281,933,866
	Total Gross Outlays	4,399,807	250,520,124		146,372,237	0	401,292,168
IN-INDIANA							
	Total Obligations	19,891,597	477,170,897		69,346,456	2,301,837	568,710,787
	Total Gross Outlays	7,733,605	40,733,186		5,445,906	0	53,912,697
KS-KANSAS							
	Total Obligations	6,110,522	233,276,836		22,707,841		262,095,199
	Total Gross Outlays	781,924	12,868,648		202,562		13,853,134
KY-KENTUCKY							
	Total Obligations	12,904,372	301,759,701		50,894,137	4,867,098	370,425,308
	Total Gross Outlays	1,730,113	37,251,848		3,756,135	0	42,738,096
LA-LOUISIANA							
	Total Obligations	18,573,933	336,901,966		58,684,343	9,619,777	423,780,019
	Total Gross Outlays	2,250,611	4,301,340		4,703,127	0	11,255,078
MA-MASSACHUSETTS							
	Total Obligations	19,942,018	255,213,489		251,348,027	2,043,438	528,546,972
	Total Gross Outlays	1,190,161	11,917,891		1,418,194	0	14,526,246
MD-MARYLAND							
	Total Obligations	15,000,000	338,330,962		125,411,399	4,155,455	482,897,816
	Total Gross Outlays	262,200	31,575,023		5,286,928	0	37,124,151

Obligations and Outlays by Operating Administration

	Week of September 25, 2009	FAA	FHWA	FRA	FTA	MARAD	Sum
ME-MAINE							
	Total Obligations	9,508,244	130,752,032		13,266,105	2,659,500	156,185,881
	Total Gross Outlays	1,050,756	67,176,066		0	0	68,226,822
MI-MICHIGAN							
	Total Obligations	29,410,000	645,752,224		99,963,526		775,125,750
	Total Gross Outlays	419,590	71,661,164		3,422,939		75,503,693
MN-MINNESOTA							
	Total Obligations	20,749,112	381,324,049		91,508,807		493,581,968
	Total Gross Outlays	8,342,240	120,566,352		476,753		129,385,345
MO-MISSOURI							
	Total Obligations	31,370,864	408,003,372		147,047,969		586,422,205
	Total Gross Outlays	2,593,426	74,588,563		5,619,807		82,801,796
MP-NORTHERN MARIANA ISLANDS							
	Total Obligations	5,000,000	4,500,000		1,114,292		10,614,292
	Total Gross Outlays	0	0		0		0
MS-MISSISSIPPI							
	Total Obligations	12,997,050	299,377,526		19,511,174		331,885,750
	Total Gross Outlays	2,278,321	36,302,451		0		38,580,772
MT-MONTANA							
	Total Obligations	8,433,183	139,679,631		15,611,710		163,724,524
	Total Gross Outlays	4,627,952	18,231,466		0		22,859,418
NC-NORTH CAROLINA							
	Total Obligations	26,725,019	562,208,494		92,033,437		680,966,950
	Total Gross Outlays	599,668	45,436,874		1,710,677		47,747,219
ND-NORTH DAKOTA							
	Total Obligations	11,019,832	144,032,895		10,997,089		166,049,816
	Total Gross Outlays	2,313,004	35,169,351		56,201		37,538,556
NE-NEBRASKA							
	Total Obligations	15,361,837	152,837,083		17,005,939		185,204,859
	Total Gross Outlays	3,662,504	34,094,980		66,931		37,824,415
NH-NEW HAMPSHIRE							
	Total Obligations	4,627,854	123,370,785		12,707,714		140,706,353
	Total Gross Outlays	2,014,982	23,986,378		261,451		26,262,811
NJ-NEW JERSEY							
	Total Obligations	28,098,590	488,827,183		381,060,962	577,902	898,564,637
	Total Gross Outlays	661,237	9,842,317		66,037,765	0	76,541,319

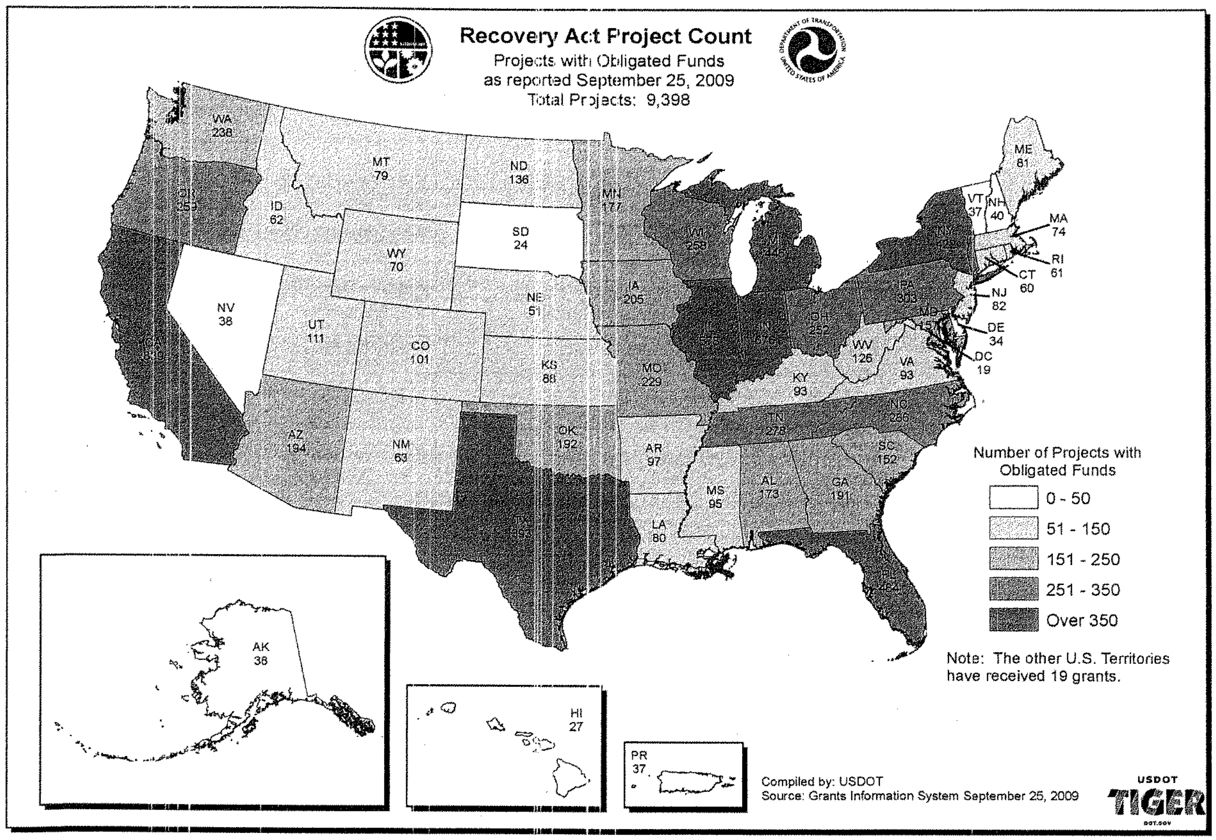
Obligations and Outlays by Operating Administration

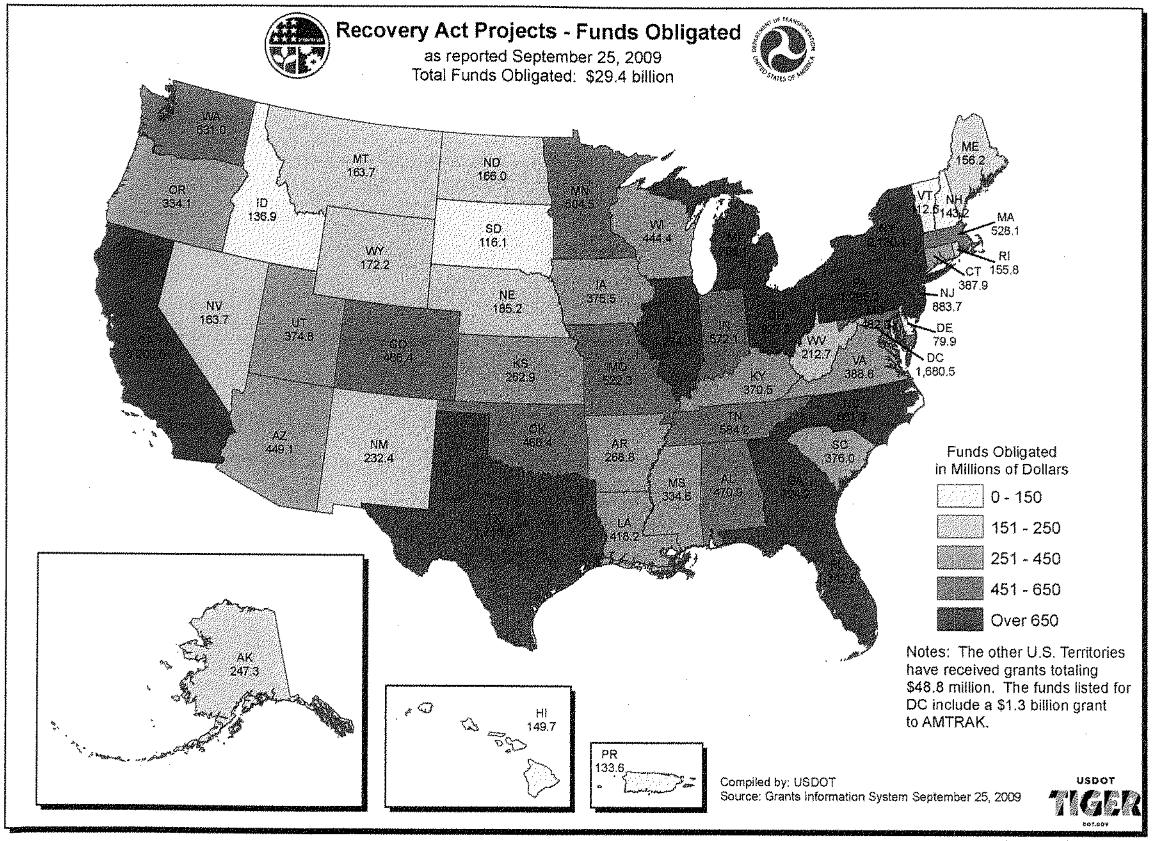
	Week of September 25, 2009	FAA	FHWA	FRA	FTA	MARAD	Sum
NM-NEW MEXICO							
	Total Obligations	11,468,219	190,735,028		27,518,452		229,721,699
	Total Gross Outlays	705,064	24,288,512		0		24,993,576
NV-NEVADA							
	Total Obligations	19,757,931	96,453,625		47,403,582		163,615,138
	Total Gross Outlays	2,763,613	4,590,629		208,424		7,562,666
NY-NEW YORK							
	Total Obligations	13,844,682	825,400,942		1,285,403,180	375,613	2,125,024,417
	Total Gross Outlays	1,642,931	41,480,932		5,362,421	0	48,486,284
OH-OHIO							
	Total Obligations	24,219,941	457,110,551		154,669,640	2,265,476	638,265,608
	Total Gross Outlays	2,529,223	33,401,537		20,577,255	0	56,508,015
OK-OKLAHOMA							
	Total Obligations	14,676,307	412,320,297		35,196,065		462,192,669
	Total Gross Outlays	6,626,635	131,350,158		200,528		138,177,321
OR-OREGON							
	Total Obligations	9,758,631	203,193,395		116,985,219	1,582,665	331,519,910
	Total Gross Outlays	710,867	29,457,275		52,259,982	0	82,428,124
PA-PENNSYLVANIA							
	Total Obligations	23,079,676	910,344,435		325,116,688	6,640,166	1,265,180,965
	Total Gross Outlays	1,050,386	78,307,069		12,674,081	0	92,031,536
PR-PUERTO RICO							
	Total Obligations	6,008,214	78,699,028		45,574,822		130,282,064
	Total Gross Outlays	209,530	456		0		209,986
RI-RHODE ISLAND							
	Total Obligations	2,317,519	125,477,434		25,366,000	2,660,533	155,821,486
	Total Gross Outlays	366,665	20,714,965		0	0	21,081,630
SC-SOUTH CAROLINA							
	Total Obligations	8,538,219	336,735,718		30,090,398	318,533	375,682,868
	Total Gross Outlays	496,136	5,908,000		487,541	0	6,891,677
SD-SOUTH DAKOTA							
	Total Obligations	12,782,183	92,833,710		10,507,396		116,123,289
	Total Gross Outlays	2,851,455	54,416,813		3,065,407		60,333,675
TN-TENNESSEE							
	Total Obligations	17,911,723	498,832,058		66,489,369		583,233,150
	Total Gross Outlays	2,230,483	68,912,426		230,048		71,372,957

Obligations and Outlays by Operating Administration

	Week of September 25, 2009	FAA	FHWA	FRA	FTA	MARAD	Sum
TX-TEXAS							
	Total Obligations	57,096,511	1,226,926,147		432,538,936	5,913,822	1,722,475,416
	Total Gross Outlays	3,469,625	109,072,917		152,448,460	0	264,991,002
UT-UTAH							
	Total Obligations	16,229,146	208,783,503		147,886,632		372,899,281
	Total Gross Outlays	3,331,682	52,936,048		106,669,007		162,936,737
VA-VIRGINIA							
	Total Obligations	23,098,699	284,816,125		69,284,898	7,854,096	385,053,818
	Total Gross Outlays	920,427	8,263,637		3,935,140	0	13,119,204
VI-VIRGIN ISLANDS							
	Total Obligations		10,692,498		1,284,112		11,976,610
	Total Gross Outlays		43,679		0		43,679
VT-VERMONT							
	Total Obligations	8,610,809	98,270,341		5,680,572		112,561,722
	Total Gross Outlays	0	38,907,191		0		38,907,191
WA-WASHINGTON							
	Total Obligations	44,043,932	356,940,934		219,731,094	6,762,720	627,478,680
	Total Gross Outlays	7,807,611	44,672,301		40,134,726	0	92,614,638
WI-WISCONSIN							
	Total Obligations	14,177,149	357,384,776		72,794,367		444,356,292
	Total Gross Outlays	5,110,911	74,989,109		0		80,100,020
WV-WEST VIRGINIA							
	Total Obligations	13,870,832	183,297,805		14,734,987		211,903,624
	Total Gross Outlays	1,734,976	34,372,024		2,069,542		38,176,542
WY-WYOMING							
	Total Obligations	8,599,010	157,616,058		5,965,815		172,180,883
	Total Gross Outlays	4,999,227	46,258,884		649		51,258,760
TOTAL*							
	Total Obligations	1,057,163,640	19,190,561,708	1,293,525,000	7,398,458,847	98,000,000	29,037,709,195
	Total Gross Outlays	150,343,479	2,180,966,854	98,669,204	920,013,509	0	3,349,993,046

*Totals exclude the administrative and contract funds in the American Recovery and Reinvestment Act that are not provided to the states.


Recovery Act Project Count
Projects with Obligated Funds
as reported September 25, 2009
Total Projects: 9,398
WA 238
ID 62
MT 79
ND 136
SD 24
WY 70
NV 38
UT 111
CO 101
NE 51
KS 88
AZ 194
NM 63
OK 192
MN 177
IA 205
MO 229
AR 97
LA 80
MS 95
AL 173
GA 191
SC 152
TN 278
KY 93
WV 126
VA 93
OH 252
PA 303
WI 259
ME 81
VT 37
NH 40
MA 74
RI 61
CT 60
NJ 82
DE 34
DC 19
AK 38
HI 27
PR 37
Number of Projects with Obligated Funds
0 - 50
51 - 150
151 - 250
251 - 350
Over 350
Note: The other U.S. Territories have received 19 grants.
Compiled by: USDOT
Source: Grants Information System September 25, 2009
USDOT
TIGER
September 2009 USDOT/RITA/BTS


Recovery Act Projects - Funds Obligated
as reported September 25, 2009
Total Funds Obligated: $29.4 billion
WA 631.0
OR 334.1
ID 136.9
MT 163.7
ND 166.0
SD 116.1
WY 172.2
NE 185.2
NV 163.7
UT 374.8
CO 486.4
KS 262.9
AZ 449.1
NM 232.4
OK 469.4
MN 504.5
WI 444.4
IA 375.5
MO 522.3
AR 268.8
LA 418.2
MS 334.6
AL 470.9
TN 584.2
KY 370.5
IN 572.1
WV 212.7
VA 388.6
SC 376.0
ME 156.2
NH 143.2
MA 528.1
RI 155.8
CT 387.9
NJ 883.7
DE 79.9
DC 1,680.5
AK 247.3
HI 149.7
PR 133.6
Funds Obligated in Millions of Dollars
0 - 150
151 - 250
251 - 450
451 - 650
Over 650
Notes: The other U.S. Territories have received grants totaling $48.8 million. The funds listed for DC include a $1.3 billion grant to AMTRAK.
Compiled by: USDOT
Source: Grants Information System September 25, 2009
USDOT
TIGER
September 2009 USDOT/RITA/BTS

NATIONAL STONE, SAND & GRAVEL ASSOCIATION

Natural building blocks for quality of life

STATEMENT OF
C. HOWARD (WARD) NYE, PRESIDENT
MARTIN MARIETTA MATERIALS, INC.

ON BEHALF OF
THE NATIONAL STONE, SAND & GRAVEL ASSOCIATION

REGARDING
THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009: 225-DAY PROGRESS REPORT FOR TRANSPORTATION & INFRASTRUCTURE INVESTMENT

BEFORE THE
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

U.S. HOUSE OF REPRESENTATIVES

October 1, 2009

1605 KING STREET ■ ALEXANDRIA, VA 22314
703 525 8788 ■ 800 342 1415 ■ FAX 703 525 7782
WWW.NSSGA.ORG

Good morning Chairman Oberstar and Ranking Member Mica:

My name is Ward Nye and I am president of Raleigh, N.C.-based Martin Marietta Materials, Inc., one of the nation's leading producers of construction aggregates. I thank you for the opportunity to appear before the committee today and to present to you the industry's perspective of the American Recovery and Reinvestment Act (ARRA) and to discuss its impact on our industry.

By way of background, Martin Marietta is a New York Stock Exchange company, with 2008 sales revenue in excess of two billion dollars, engaging principally in the construction aggregates business. We have been in the aggregates business through our predecessor companies since 1939. By construction "aggregates" I mean that we mine, process and sell crushed stone, sand and gravel for use in the construction of highways and other infrastructure projects, as well as in the domestic commercial and residential construction industries. Aggregates products are also used in the railroad, environmental and agricultural sectors. These aggregates products, along with asphalt products, ready mixed concrete and road paving materials, are sold and shipped from Martin Marietta's network of over 288 quarries, distribution facilties and plants to customers in 29 states, Canada, the Bahamas and the Caribbean Islands.

That said, I am testifying today on behalf of the National Stone, Sand & Gravel Association (often referred to as "NSSGA" or "the association"), which represents the aggregate industry. According to the U.S. Geological Survey (USGS), NSSGA is the largest mining association by product volume in the world. Our association member companies produce more than 90 percent of the crushed stone and more than 70 percent of the sand and gravel consumed annually in the United States. There are more than 10,000 construction aggregate operations nationwide. Almost every congressional district is home to a crushed stone, sand or gravel operation. Due to high product transportation costs, proximity to market is critical; thus, 70 percent of our nation's counties include an aggregates operation.

Large amounts of stone, sand and gravel are used to construct the built environment. For example, about 400 tons are used in an average home (not counting the required subdivision work), 15,000 tons are used in an average school and 38,000 tons are used to construct one mile of highway. Accordingly, while largely invisible to the individual end-user, aggregates are an absolutely essential product making an important and lasting contribution to the nation's economic well-being. Yet, despite the large amounts of aggregates used for all sorts of construction, I am here to report that the industry is facing another year of economic turmoil and difficulty.

According to the USGS, an estimated 492 metric tons of total aggregates were produced and shipped for consumption in the United States in the second quarter of 2009, a decrease of 28 percent compared with that of the same period in 2008. The estimated production for consumption in the first six months of 2009 was 831 metric tons, a 27 percent decrease over the same period in 2008. This decreased usage of aggregates in 2009 was on top of previous declines in 2008 and 2007.

Despite the downturn, there is evidence to suggest that the American Recovery & Reinvestment Act helped maintain the market, even if it was not entirely visible. While there was an intense effort to make sure states did not simply swap their infrastructure funds with ARRA funds, anecdotal evidence suggests some states did. I commend this committee for its efforts to ensure that this did not happen as well as the continued oversight of the expenditure of ARRA funds. Further, I applaud the chairman for wanting to know the details – good, bad and otherwise.

Early this year, as the likelihood that Congress would pass an economic stimulus grew, optimism across the industry that an infusion of infrastructure funding would be forthcoming also increased. In some instances, companies geared up for the year by investing in new equipment and rehiring employees in anticipation of a high level of construction activity in the year ahead.

One NSSGA member company located in the Northeast is a good example of a business that has had identifiable success with the ARRA funds. This past August, the company paved New Hampshire Route 4 with ARRA funds, which required new equipment purchases and through the process hired numerous subcontractors. This type of activity is exactly what the stimulus funds were meant to do. The trickle down effect worked.

In California, another construction aggregates company secured 10 projects worth nearly 25 million dollars. These projects are estimated to have saved 12 salaried and 230 craft positions. Their experience in Nevada was similar after securing four projects worth nearly 18 million dollars. This work saved 30 salaried and 85 craft positions. These numbers are preliminary approximations but provide an anecdotal estimate of the domino-impact of new projects on many segments of the economy.

Similarly, in Martin Marietta's second quarter 2009 earnings call, we reported having received purchase orders for stimulus-financed jobs in virtually every state in which we operate. We noted stimulus jobs in North Carolina and Iowa with project-specific aggregates tonnages in excess of 150,000 tons with 80 percent of those volumes moving in 2009. However, we also stated that such timing was an anomaly as the aggregate shipping on those cited jobs were moving more quickly than we have otherwise experienced.

While the stimulus funds have had a positive impact on state transportation budgets, our members report that, at the same time, many states have reduced their transportation budgets—in some cases severely as they grapple with reduced tax revenues. Next year looks even worse for most state transportation programs.

In preparation for this hearing, NSSGA disseminated a quick survey to its producer members. The results revealed some relevant facts. More than 90 percent of respondents say they have not seen a noticeable increase in sales over the last three months. For those who did see an increase, it was between one percent and 10 percent.

Asked if they expected an increase in orders in the fourth quarter of 2009, 71 percent said no, and only 16 percent responded yes. The remaining 13 percent said they did not know.

Thirty-one percent of respondents think 2010 will bring an increase in sales, but half disagreed and feared there would not be an increase; 19 percent were unsure. When asked about their 2010 state transportation budget, half responded that it is expected to be down, while 38 percent expected it to be level with 2009. The remaining 12 percent were hopeful it would increase.

It is important to note that, on average, roads and bridges constitute 40 percent of the industry's market. The remaining 60 percent is equally divided among residential housing, industrial buildings and public works projects. Due to the continued weakness in the residential and industrial markets in 2009, the transportation market has increased in importance to our members.

For this reason, we cannot draw a straight line conclusion as to the effectiveness of the stimulus bill in creating jobs in our industry. Having said that, large and small companies are reporting that few, if any, jobs have been created. However, some report that employees have been retained or rehired because of the road work stimulated by the ARRA. Unfortunately, about an equal number are saying that people have been let go due to the weakness of the market.

Since the vast number of aggregates operations are typically in the open, facilities located in cold climates usually close for the winter. Historically, employees work extra hours during warmer periods in anticipation of winter layoffs. The extra pay they earn allows them to prepay health care premiums and save money to carry them through to spring. Without the extra hours, many employees will be struggling this winter to make ends meet. So while some workers have been retained, hours (regular and overtime) and overall pay have been reduced.

Here are some specific comments regarding the stimulus from NSSGA producer members that I thought should be shared with you.

One respondent reported:

> We haven't seen any stimulus money in our market yet. However, the value I've seen is that the general consumer believes that a stimulus package will be forthcoming and because of that, they have more confidence in the economy and are therefore increasing their spending—at least that's what I see. So, the stimulus package has helped indirectly. We haven't seen an increase in sales, but we haven't lost as much as I think we would have if the stimulus package was not out there.

Another member said:

> Our business is approaching 2008 volume. Without the stimulus, we would not be any where near current revenue. We have not increased revenue for 2009 vs. 2008. Also, we have made very few capital expenditures due to no clear transportation fund bill. Without the ability to grow the top line, spending can only go on so long. This is what our government needs to understand.

A third member noted:

> We have seen a net decrease in sales over the past three months. In spite of that, we have seen some increase in sales to our asphalt customers as a result in the stimulus bill but the overall market continues to decline. We have seen no new construction jobs in our market area as a result of the stimulus bill.

Drawing from these and other responses, I can tell you that jobs have been retained, but few jobs have been created in our industry due to the stimulus bill. Further, while sales have declined, without the stimulus it would have been worse. Finally, and I cannot underscore this point enough, without a six-year transportation bill providing predictable future funding, things will get worse.

NSSGA also took the opportunity to ask its members if passage of a well-funded, six year transportation authorization bill would improve the outlook of their business. A strong 93 percent said it would have a positive impact, while the remaining seven percent were unsure. This is important when considering that 90 percent thought that a series of extensions would harm their business, while only seven percent thought a series of extensions would cause no harm. It is safe to conclude that across the industry, we are in agreement that a six-year surface transportation authorization bill is necessary and needed.

Mr. Chairman, the aggregates industry in the United States has seen an average 20 percent decline in business; in some regions the decline has been as much as 60 percent. Without the stimulus, which we supported and believe, like you, should have had more funding devoted to transportation infrastructure for real job creation, the decline in our industry would be far greater. Nevertheless, all of this is offered against a backdrop in which our industry's percentage volume decline has been more pronounced than during any economic period since the Great Depression.

Already the construction coalition and those that help fund the system are in agreement that Congress needs to quickly pass a well-funded six-year authorization bill. Just last week four major national associations, the U.S. Chamber of Commerce, American Automobile Association, the American Trucking Association, and the National Association of Manufacturers, joined in a joint letter to the president and Congress calling for a robust, multi-year reauthorization and endorsed an increase in the user fee on gasoline to ensure the level of funding necessary to meet the needs of the system. I would respectfully ask that the joint letter be inserted in the record of this hearing.

The referenced letter also underscores a clear and well-articulated message of the USGS:

> Infrastructure, such as roads, airports, utilities, and many other facilities, is vital to the growth of any populated area. Much of the nation's infrastructure built during the 1950's and 1960's has deteriorated. In many areas of rapid population growth, the infrastructure is becoming inadequate, and new roads, streets, and sewage systems must be built to meet the increased needs. Maintenance and development of the infrastructure requires large volumes of natural aggregates.

That volume supply is something the aggregates industry is fully prepared to deliver – for our nation and our stakeholders.

In conclusion let me be clear: the aggregates industry believes any momentum generated by the ARRA will be lost if Congress fails to act, sooner rather than later, on a well-funded, multi-year surface transportation authorization bill. An 18-month extension of the law just kicks the can down the road, so to speak. Our transportation infrastructure is the foundation of America's economic stability and growth, and has fostered its global competitiveness. Congress needs to make our nation's transportation infrastructure a priority and we must work together to build the transportation network of the 21st Century.

Again, thank you Mr. Chairman for this opportunity to testify today. I will be happy to respond to any questions.

October 1, 2009

Testimony of New Flyer of America
to the Committee of Transportation and Infrastructure,
James L. Oberstar, Chairman

Paul Soubry
New Flyer of America
711 Kernaghan
Winnipeg, Manitoba R2C 3T4 Canada
(204) 224-1251

Mr. Chairman and members of the committee:

My Name is Paul Soubry, and I am the President and Chief Executive Officer of New Flyer of America – the largest manufacturer of heavy-duty transit buses in United States and Canada. Since 1930, we have delivered over 23,000 buses, and in 2008 over 40% of the buses delivered were manufactured by New Flyer.

New Flyer has manufacturing and assembly facilities in Crookston and St. Cloud, Minnesota, and aftermarket parts distribution centers in Kentucky and California, with over 1,000 employees in the United States.

We have business relationships with over 240 transit properties, including 20 of the largest 25. We have been the innovation leader in the heavy-duty transit space; the first in North America to offer low-floor standard and articulating buses, natural gas buses and low-emission hybrids, and we are the only North American manufacturer of all-electric rubber wheeled trolleys.

We have continued to pursue green technologies. We are currently building a zero-emission hydrogen fuel cell fleet of buses that will be showcased at the 2010 Winter Olympic Games. I am proud to report that just two weeks ago, we delivered our 1st production bus from this order.

On January 22, 2009, my predecessor, John Marinucci, former President and Chief Executive Officer and currently a director of New Flyer, testified before this committee in support of transportation funding contained in the American Recovery and Reinvestment Act of 2009 (ARRA). He noted that this funding would provide transportation authorities the means to purchase desperately needed new equipment. In fact, according to the American Public Transportation Association (APTA), over 20,000 buses (or more than ¼ of the fleet) currently operating in the United States have exceeded their 12-year economic life cycle. As you know, this life cycle as set by the FTA, is the threshold of eligibility for FTA funding of replacement vehicles.

Given the significant and unprecedented pressure on the operating budgets of all transit authorities, new equipment substantially reduces or eliminates inefficient deployment of urgently needed dollars to keep aging and unproductive buses on the road. New buses produce significantly fewer pollutants; have much better fuel economy, and are quieter and safer than the vehicles being replaced. All of this contributes to a better public transit network with reduced reliance on foreign oil.

I am here today to report that New Flyer has received orders from 17 different transit properties totaling 638 Equivalent Units that can be tied directly to ARRA funding provided to local transit authorities in the United States. This quantity represents approximately 30% of New Flyer's annual production. These orders provide over 800,000 hours or 447 person-years of direct labor. The spin-off for our component suppliers is six times our direct labor hours – or 2,682 person-years. Thus, our US based, who provide 82% of the total material and are located in 30 states across the country, have benefited as well.

In summary, we believe that ARRA funds have had a direct and material impact on new bus purchases and the significant domestic industry that designs, supplies and builds these vehicle for such a critical and essential service to the American people. The employees of the New Flyer and our partner suppliers from all over America are tremendously grateful for this stimulus support for our customers.

Thank you.

Paul Soubry

President & CEO

Elkhart County

HIGHWAY DIVISION ADMINISTRATION

Report to the

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

on the progress of Elkhart County, Indiana's

implementation of the

American Recovery and Reinvestment Act of 2009

Jeff Taylor
Manager of Transportation
Elkhart County, Indiana

610 Steury Avenue · Goshen, Indiana 46528 · ph: (574) 534-9394 · fax: (574) 533-7103 · eng@elkcohwy.org

U.S. House of Representatives
Committee on Transportation and Infrastructure

Page 1

In February of this year, President Barack Obama traveled to Elkhart County, Indiana, to announce a bill before congress, the American Recovery and Reinvestment Plan. Elkhart County was billed as ground zero of the economic fallout due to the recession. At the time of our President's visit to Elkhart County, unemployment stood at 15%, with much of it attributed to the fallout from the RV Industry. You can imagine the excitement spurred in the community by the prospect of jobs to be created by the legislation, and the potential impact to families in the Elkhart area.

The announcement that $27 billion of ARRA funds were to dedicated to infrastructure improvement really caught our attention. Elkhart County was and still is optimistic that the infusion of construction dollars into our local economy could result in economic relief. Many workers and their families in the community were and still are facing mortgage foreclosure and bankruptcy. Unemployment had blossomed from 4.4% in July 2007 to 18.9% in March of this year, and today the rate is hovering at 15%. Any kind of relief is welcomed.

Soon after the announcement was made that funds were available, we in Elkhart County rolled up our sleeves and went to work, aggressively pursuing funds for roads projects that were deemed "shovel ready". We saw this as an opportunity to complete some long overdue road construction projects and more importantly put many of the thousands of unemployed in our region back to work.

Like many other local governments, we found ourselves at a disadvantage for having a well planned transportation improvement program based on a pay as you go philosophy. Shovel ready projects meant having a road or bridge project design completed, the right of way purchased, and all environmental approvals in hand. The system is structured such that smaller counties are at a disadvantage. Elkhart County Government will not go through a process of spending tax dollars for project design, acquiring right of way and displacing our residents, and securing final approval from the State DOT allowing a federally funded project to bid without planning for the financial resources to pay for the project.

Our desire was to utilize the funds to construct another section of an important four lane road connecting two vital manufacturing and supply bases. We learned the project did not qualify for shovel ready, even though the design was complete, the right of way was purchased, affected residents were relocated, and environmental assessment was complete. The project did not have final approval from the State DOT and acquiring such could take months, going beyond the time frame for utilizing ARRA funds. Therefore we were limited to allocating available funds to road resurfacing and maintenance projects.

U.S. House of Representatives
Committee on Transportation and Infrastructure

Page 2

We soon discovered there was an enormous amount of paperwork required for even a simple roadway paving project. Nevertheless, we filled out all of the forms, documents, submitted photos, construction plans, cost estimates, and so on, completing the requirements to permit a project to be constructed. To date Elkhart County has completed all of the required submissions for various roads to be resurfaced. According to records, our projects are slated for a November bid letting. Consequently, it will be April 2010 before we see any new pavement, and any related jobs created or retained locally. No Elkhart County ARRA highway funds have been spent thus far creating jobs for our unemployed. We are told we have been awarded nearly $2,500,000 in urbanized funds to be utilized in the urbanized areas of the County. And for that, I say thank you to Congress and the President. Every dollar invested in the community helps. Elkhart County is very appreciate for the ARRA investment commitments thus far.

More discouraging is the distribution of nearly $18,000,000 in rural stimulus funds allocated to our region of northeast Indiana. Elkhart County has been allocated zero dollars from this funding source. Awards of rural stimulus dollars were made available on a first come, first served basis. Elkhart County did not get ahead of other Cities and Counties and we are told our request cannot be funded. If the ARRA is focused on jobs creation and retention, it seems appropriate to target rural stimulus funds to areas based on unemployment and prioritize the funds accordingly. Rather, Elkhart County, which leads the State of Indiana in unemployment, has not received any allocation of rural stimulus funds.

It was my understanding, along with millions of other Americans, that the ARRA was a jobs creation and jobs retention bill. I believe congress, and President Barack Obama intended it to be a jobs creation and jobs retention bill. If it is true we are in an economic crisis, we should expedite the paperwork process, and target those areas hardest hit by the economic downturn.

Elkhart County will bounce back. We have and will continue to aggressively pursue investments in our local economy. Elkhart County has submitted a shovel ready project requesting TIGER, or Transportation Investment Generating Economic Recovery funds. This is $1.5 billion of stimulus set aside for distressed economic areas for transportation projects that will have a significant impact economically on the region. Be assured Elkhart County is not looking for government handouts. We see stimulus as an investment to jump start our local, regional, and state economy. Our residents are hard working, creative, and are noted for starting successful, long term businesses that impact the nation and the world.

U.S. House of Representatives
Committee on Transportation and Infrastructure

Page 3

If we are to ever to jump start the economy, the stimulus spending must be first allocated to those areas hardest hit. Again, I want to thank Congress and our President for the investment of stimulus funds Elkhart County thus far. I thank this committee for inviting me here to speak today, and I hope that in a year or two you all will hear about the success stories about new industries and new jobs created in our area that impact the region, state and nation.

Thank you.

An Open Letter to the President and Congress on Transportation Investment

America's transportation users urge you to enact a multi-year surface transportation authorization bill as soon as possible. Delaying significant investment and necessary program reforms until the next Congress will not benefit our nation's economy, safety, or quality of life. The task before the 111th Congress is to enact a robust, reformed, and more accountable multi-year transportation bill for the American people.

Our groups represent the users of the system – individuals and businesses that move on our nation's transportation network. We are the payers of that system. And as payers we know the value that strategic capital investments provide to our national highway, bridge, and public transportation network. These public assets pay dividends to American families, businesses, and the U.S. economy and deliver a long-term value that far exceeds their initial cost.

Greater investment in transportation is needed:

- To reduce traffic congestion thereby enhancing productivity and energy usage;
- To improve road safety and reduce health care costs associated with preventable vehicle crashes;
- To lay the competitive foundation making long-term growth and prosperity possible; and
- To put millions of Americans back to work by helping to sustain an economic recovery.

We are not alone in this endeavor. Two blue-ribbon, bipartisan commissions initiated by Congress in 2005 have provided a consensus plan for program change and financing. They call for a program that is performance-based, transparent, fully accountable to taxpayers, and user financed. These are principles that we embrace.

Our organizations believe Congress must address revenue shortfalls in order to finance our nation's transportation system at robust levels and we are willing to support revenue approaches, including increases in federal gasoline and diesel taxes, in order to provide the necessary funding to meet critical transportation needs. However, because these public policy decisions directly affect our members, any request that users pay more must be accompanied by legislation that achieves program reforms, increases accountability, focuses on national objectives, and makes a commitment that spending will benefit those who make the investment. We must move away from the status quo to reach these objectives.

The undersigned organizations readily acknowledge the political challenges before you; but we firmly believe this is a challenge the 111th Congress must tackle. We will work together because the safety of our families, the strength of our economy, and the future of our transportation system depend on it.

Let's work together to deliver this national priority.

Sincerely,

AAA
American Trucking Associations
National Association of Manufacturers
U.S. Chamber of Commerce