RECOVERY ACT: PROGRESS REPORT FOR TRANSPORTATION INFRASTRUCTURE INVESTMENT

(111–83)

HEARING

BEFORE THE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE HOUSE OF REPRESENTATIVES

ONE HUNDRED ELEVENTH CONGRESS

FIRST SESSION

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December 9, 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: Progress Report for Transportation Infrastructure Investment"

PURPOSE OF HEARING

The Committee on Transportation and Infrastructure will meet on Thursday, December 10, 2009, at 10:00 a.m., in room 2167 of the Rayburn House Office Building to examine progress to date on implementing the American Recovery and Reinvestment Act (P.L. 111-5) (Recovery Act). The hearing will address implementation efforts in 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 November 2009,[1] there are 15.4 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 26.9 million.

The unemployment rate in November 2009 was 10 percent – slightly lower than the 10.2 percent rate experienced in October 2009. When part-time and discouraged workers who want full-time jobs are included, the unemployment rate is 17.25 percent.

The construction sector has been particularly hard-hit. It has lost 1,563,000 jobs since the recession began in December 2007. The unemployment rate in construction was 19.4 percent in

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

November 2009. This is the highest unemployment rate of any industrial sector. As of November 2009, there are 1,780,000 unemployed construction workers in the nation. Within the overall construction sector, seasonally adjusted employment in heavy and civil engineering construction has fallen by 172,700 since the recession began in December 2007.

The Transportation Construction Coalition recently reported that 63 percent of transportation contractors have laid off employees in 2009 and 44 percent indicated they plan to lay off employees in 2010.

However, the number of unemployed construction workers has decreased by 245,000 since February 2009. The unemployment rate for construction workers has also dropped by two percent during that time period.

A study by a national transportation construction association shows between May and October 2009, the value of new contract awards for highway and bridge projects exceeded that period in 2008 by $4.8 billion. Furthermore, since May 2009, the value of construction work on highway and bridge projects is up three percent when compared to the same months in 2008.

With this economic picture 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.

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 $31.2 billion for 11,444 projects, as of November 20, 2009. This amount represents 65 percent of the total available funds.

Highways and Bridges

The Federal Highway Administration (FHWA) has approved 9,210 highway projects totaling $21.1 billion. This amount represents 77 percent of the total available highway funds.

Federal-Aid Highway Formula Investments and Puerto Rico and Territorial Highway Programs ($26.81 billion)

All 50 States, five Territories, and the District of Columbia have submitted and received approval for 9,076 projects totaling $20.8 billion. This amount represents 78 percent of the Recovery Act highway formula funds. For information on the amount of highway projects out to bid, under contract, and underway, as well as job creation, please refer to the transparency and accountability section on page 7.

Federal and Indian Lands ($550 million)

FHWA has awarded $242 million for 106 projects. This amount represents 44 percent of the total apportionment for Federal and Indian Lands.

Ferry Boat Capital Grants to States ($60 million)

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 11 projects totaling $13 million. This amount represents 22 percent of the total apportionment for Ferry Boat capital grants.

On-the-Job Training ($20 million)

FHWA has awarded 17 training grants worth $6 million. This amount represents 30 percent of the total apportionment for On-the-Job Training.

Disadvantaged Business Enterprise Bonding Assistance ($20 million)

DOT has approved two projects for bonding assistance, totaling $33,556.

TRANSIT

The Federal Transit Administration (FTA) has approved 690 projects totaling $7.2 billion. This amount represents 86 percent of the total available transit funds.

FTA has also received $287 million in 29 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.

Transit Urban and Rural Formula Grants ($6.8 Billion)

FTA has awarded $6 billion for 634 projects in all 50 States, five Territories, and the District of Columbia. This amount represents 88 percent of the total apportionment for transit capital assistance. For information on the amount of transit projects out to bid, under contract, and underway, as well as job creation, please refer to the transparency and accountability section on page 7.

Fixed Guideway Infrastructure Investment ($750 Million)

FTA has awarded 47 grants worth $738 million in 27 States, Puerto Rico, and the District of Columbia. This amount represents 98 percent of the total apportionment for fixed guideway. For information on the amount of transit projects out to bid, under contract, and underway, as well as job creation, please refer to the transparency and accountability section on page 7.

New Starts Grants ($750 million)

FTA has awarded nine grants totaling $468 million. This amount represents 62 percent of the total apportionment for New Starts.

Transit Greenhouse Gas and Energy Reduction Funding ($100 Million)

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 for TIGGER grants.

RAIL

Amtrak ($1.3 billion)

Since the Federal Railroad Administration (FRA) executed a grant agreement with Amtrak for $1.3 billion (for approximately 700 projects), Amtrak has awarded $623 million in contracts for 350 projects, as of November 30, 2009. This amount represents 48 percent of the total available Amtrak funding.

High-Speed Rail and Intercity Passenger Rail Grant Programs ($8 billion)

Applications for "ready-to-go" projects, future service planning activities, and appropriations-funded projects were due by August 24, 2009. FRA received 214 applications from 34 States totaling $7 billion for these projects. Applications for new high-speed rail service development programs were due by October 2, 2009. FRA received 45 applications from 24 States totaling $50 billion to advance these programs.

COMPETITIVE SURFACE TRANSPORTATION GRANTS

Applications for the $1.5 billion Transportation Investment Generating Economic Recovery (TIGER) Discretionary Grants program were due by September 15, 2009. DOT received 1,380 applications from all 50 States, three Territories, and the District of Columbia, totaling $56.5 billion. Secretary LaHood expects to announce TIGER grants in January 2010, a full month ahead of the statutory deadline.

AVIATION

Work is underway on 745 aviation projects totaling $1.2 billion, representing 92 percent of the total available aviation funds.

Airport Improvement Program ($1.1 billion)

Work is underway on 330 projects across the nation, worth nearly $1.1 billion. This amount represents almost 100 percent of the total apportionment for airport grants.

Facilities and Equipment ($200 million)

The Federal Aviation Administration (FAA) has signed contracts for and work is underway or completed on 415 Facilities and Equipment projects totaling $110 million. This amount represents 55 percent of the total apportionment for the Facilities and Equipment program.

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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 amount 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 November 20, 2009.*

II. TRANSPARENCY AND ACCOUNTABILITY INFORMATION

HIGHWAY AND TRANSIT FORMULA DATA

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

Out to Bid

10,329 highway and transit projects in all 50 States, five Territories, and the District of Columbia have been put out to bid, totaling $24.5 billion, representing 71 percent of the total available formula funds for highway and transit projects.

Signed Contracts

50 States, three Territories, and the District of Columbia have signed contracts for 8,871 projects totaling $20.2 billion, representing 59 percent of the total available formula funds.

Work Underway

Work has begun on 7,886 projects in 50 States, three Territories, and the District of Columbia, totaling $18.6 billion, representing 54 percent of the total available formula funds.

Jobs Created

These 7,886 projects have created or sustained more than 210,000 direct, on-project jobs.[2] These projects have also resulted in hundreds of thousands of indirect and induced jobs in the supply chain,[3] at companies that produce construction materials such as steel, sand, gravel, and asphalt, and manufacture equipment including new transit buses.

Direct job creation from highway and transit projects has resulted in payroll expenditures exceeding $1.1 billion. Using this data, the Committee calculates that $179 million in unemployment checks have been avoided as a result of this direct job creation.[4] Furthermore, these direct jobs have caused nearly $230 million to be paid in Federal taxes.[5]

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[2] 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. 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 the number of cumulative direct, on-project job hours created or sustained by Recovery Act funds, as reported by States, MPOs, and public transit agencies, by 173 hours (40 hours per week times 52 weeks divided by 12 months = 173 hours). Direct jobs are charged directly to the project, and include workers employed to build a facility or upgrade equipment on-site.

[3] Indirect jobs are not charged directly to the project but are embedded in materials costs. Indirect jobs include positions at companies that produce construction materials such as steel, sand, gravel, and asphalt, and manufacture equipment including new transit buses. Induced jobs describe positions that are created or sustained when employees spend their increased incomes on goods and services (e.g., restaurant employee who serves lunches to workers).

[4] The value of unemployment checks avoided is determined by multiplying FTE direct job months created or sustained by the average monthly unemployment benefits paid ($1,448.33) times the percentage of unemployed workers collecting unemployment benefits (58.6 percent). The Congressional Research Service (CRS) provided the Committee with this information.

[5] The value of Federal taxes paid is calculated by multiplying the direct jobs payroll by the average total federal tax rate

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 October 31, 2009)".

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 November 20, 2009.

Of the $64.1 billion provided for both transportation and infrastructure programs under the Recovery Act, Federal, State, and local agencies administering programs within the Committee's jurisdiction have announced 14,654 transportation and other infrastructure projects totaling $44.7 billion, representing 70 percent of the total available funds, as of November 20, 2009. Within this total, States and agencies have obligated $37.8 billion for 13,882 projects, representing 59 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 November 20, 2009)". The list may be searched by State, Congressional District, Federal agency, or program.

FUTURE REPORTS

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

(20.45 percent) (the sum of the average tax rate with respect to adjusted gross income (12.8 percent) and average social insurance payments (7.65 percent) for the 2008 tax year). CRS provided the Committee with this information.

WITNESSES

The Honorable John D. Porcari
Deputy Secretary
U.S. Department of Transportation

Ms. Katherine A. Siggerud
Managing Director, Physical Infrastructure Issues
Government Accountability Office

Ms. Rosemarie S. Andolino
Commissioner of Aviation
Chicago Department of Aviation
representing the American Association of Airport Executives

Mr. Joseph Calabrese
General Manager
Greater Cleveland Regional Transit Authority
representing the American Public Transportation Association

The Honorable Gary Ridley
Secretary
Oklahoma Department of Transportation
representing the American Association of State Highway and Transportation Officials

Mr. James W. Van Buren
Vice President – Development & Chief Operating Officer
New Enterprise Stone & Lime Co., Inc.
representing the American Road & Transportation Builders Association

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

The American Recovery and Reinvestment Act of 2009 Transportation and Infrastructure Provisions Implementation Status as of November 20, 2009

Prepared for

The Honorable James L. Oberstar
Chairman

By the Committee on Transportation and Infrastructure
Majority Staff

For Release on Delivery
December 3, 2009
9:00 a.m.

THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009
TRANSPORTATION AND INFRASTRUCTURE COMMITTEE PROVISIONS

$64.1 BILLION FOR TRANSPORTATION AND INFRASTRUCTURE INVESTMENT

- The American Recovery and Reinvestment Act of 2009 (P.L. 111-5) ("Recovery Act") provides **$64.1 billion** 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 **create or sustain more than 1.8 million jobs and $323 billion of economic activity**.

- Specifically, **the Recovery Act provides**:

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

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

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

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

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

__TRANSPORTATION AND INFRASTRUCTURE INVESTMENT CONTINUED__

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

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

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

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

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

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

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

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

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

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

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

- The Recovery Act **requires the Governor of each State to certify that:**

  - **the State will request and use funds provided by the Recovery Act and the funds will be used to create jobs and promote economic growth;**[4]

  - **the State will maintain its effort with regard to State funding for transportation projects;**[5] **and**

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

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

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

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

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

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[5] *Id.* § 1201. The certification shall include a statement identifying the amount of funds the State planned to expend from State sources as of the date of enactment during the period from the date of enactment through September 30, 2010. *Id.*
[6] *Id.* § 1201. The certification shall include a description of the investment, the estimated total cost, and the amount of covered funds to be used, and shall be posted on a website and linked to the Recovery.gov website. *Id.*
[7] *Id.* § 1512.

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

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

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

READY-TO-GO INFRASTRUCTURE INVESTMENTS

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

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

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

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

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.

- This investment will specifically help unemployed construction workers. The construction sector has lost has lost 1,557,000 jobs since the recession began in December 2007. The unemployment rate in construction was 18.7 percent in October 2009 – up 7.9 points since October 2008. As of October 2009, there are 1,744,000 unemployed construction workers in the nation.

- However, the number of unemployed construction workers has decreased by 431,000 since February 2009. The unemployment rate for construction workers has also dropped by 4.3 percent during that time period.

- A study by a national transportation construction association shows between May and October 2009, the value of new contract awards for highway and bridge projects exceeded that period in 2008 by $4.7 billion. Furthermore, since May 2009, the value of construction work on highway and bridge projects is up three percent when compared to the same months in 2008.

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

- 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 October 2009, the rate of unemployment for African Americans was 15.7 percent – 65 percent higher than the rate for whites. The unemployment rate for Hispanic or Latino Americans was 13.1 percent, 38 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.

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[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 nine months, all 50 States, five Territories, and the District of Columbia have submitted and received approval for 9,076 projects totaling $20.8 billion, approximately 78 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. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

According to submissions received by the Committee from States, as of October 31, 2009, work has begun on 5,820 projects in all 50 States, three Territories, and the District of Columbia, totaling $14.3 billion. This represents 54 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. DOT reviewed these certifications and determined that all certifications meet the statutory

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[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.

requirements, as to form. FHWA continues to conduct 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 $242 million for 106 projects. This represents 44 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 11 projects totaling $13 million, representing 22 percent of the total apportionment for Ferry Boat capital grants. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

On-the-Job Training ($20 million): FHWA has awarded 17 training grants worth $6 million. This represents 30 percent of the total apportionment for On-the-Job Training. 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): DOT has approved two projects for bonding assistance, totaling $33,556.[18]

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

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[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] 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. 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

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[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 634 projects in all 50 States, five 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.

According to submissions received by the Committee from States and public transit agencies, as of October 31, 2009, work has begun on 1,985 projects totaling $3.7 billion. This represents 55 percent of the total available transit capital formula funds.

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 $287 million in 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.

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.

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[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.

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

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to FTA on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by 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. FTA plans to soon begin awarding TIGGER grants.

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

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[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 27 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.

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[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.

According to submissions received by the Committee from States and public transit agencies, as of October 31, 2009, work has begun on 81 projects totaling $540 million. This represents 72 percent of the total available fixed guideway formula funds.

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.

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

<u>TRANSIT NEW STARTS CONSTRUCTION – $750 MILLION</u>

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

<u>Distribution</u>: 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.

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

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

<u>Transparency and Accountability Requirements</u>: 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

[28] *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.[29]

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

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

[29] *Id.* § 1512.
[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 $623 million in contracts for 350 projects, as of November 30, 2009. This represents 48 percent of the total available funding.

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, future service planning activities, and appropriations-funded projects were due by August 24, 2009. FRA received 214 applications from 34 States totaling $7 billion for these projects.

Applications for new high-speed rail service development programs were due by October 2, 2009. FRA received 45 applications from 24 States totaling $50 billion to advance these programs.

FRA plans to announce awards during the winter of 2009/2010.[34] 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."[35]

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 read 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.

[32] *Id.* § 1512.
[33] On March 19, 2009, FRA executed this grant agreement with Amtrak.
[34] 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. States, groups of States, interstate compacts, and public agencies established by one or more States may apply for capital improvements grant funding.
[35] On June 23, 2009, FRA issued interim guidance on the high-speed intercity passenger rail program.

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.[36]

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[36] *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.[37]

Recovery Act Implementation: Applications for the Transportation Investment Generating Economic Recovery (TIGER) Discretionary Grants program were due by September 15, 2009.[38] DOT received 1,380 applications from all 50 States, three Territories, and the District of Columbia, totaling $56.5 billion.[39] Of that $56.5 billion, DOT received applications according to the following categories:

- Highways: $31.8 billion (56 percent of total amount requested)
- Transit: $10.6 billion (19 percent of total amount requested)
- Rail: $5.8 billion (10 percent of total amount requested)
- Ports: $3.3 billion (six percent of total amount requested)
- Other: $5.1 billion (nine percent of total amount requested))

Secretary LaHood expects to announce 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.

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

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[37] *Id.* § 1512.
[38] On May 18, 2009, the Department of Transportation published a notice of funding availability and solicitation of applications from applicants seeking grants.
[39] 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.

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.[40]

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.[41]

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[40] *Id.* § 1201.
[41] *Id.* § 1512.

Recovery Act Implementation: Work is underway on 330 AIP projects across the nation, worth nearly $1.1 billion. This represents almost 100 percent of the total apportionment. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852

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

FAA FACILITIES & EQUIPMENT – $200 MILLION

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

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

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

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

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to the FAA on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by the 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.[42]

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.[43]

Recovery Act Implementation: The FAA has signed contracts for and work is underway or completed on 415 Facilities and Equipment projects totaling $110 million. This represents 55 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.

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[42] *Id.* § 1201.
[43] *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.[44]

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[44] *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.[45]

Recovery Act Implementation: Of the $4 billion in Recovery Act funds apportioned for the Clean Water SRF,[46] EPA has awarded $3.98 billion in capitalization grants to States, representing almost 100 percent of the total apportionment.

According to submissions received by the Committee from States, as of October 31, 2009, work has begun on 588 projects totaling $1.2 billion. This represents 32 percent of the total available wastewater infrastructure formula 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 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 subcontractors, draft Federal Register notices for waivers of the Buy American provisions, and checklist for a waiver request.

EPA has also conducted four Webcasts on implementation of the Buy American provisions of the Recovery Act – on May 19, June 4, June 11, and June 22 of this year.

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[45] *Id.* § 1512.

[46] 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.

In addition, EPA 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, and revised on August 10, 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 in total a *de minimus* amount of the project, that is, for any such incidental components up to a limit of no more than 5 percent of the total cost of the materials used in and incorporated into a project."

Finally, EPA has granted 20 regional waivers of the Buy American provisions of the Recovery Act for individual projects. A list of these regional waivers can be found on EPA's Recovery Act implementation website: http://www.epa.gov/water/eparecovery/index.html#NationalWaivers.

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

SUPERFUND – $600 MILLION

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

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

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

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

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

Transparency and Accountability Requirements: EPA must submit a general plan for the expenditure of Recovery Act funds to the Committees on Appropriations within 30 days (March 19, 2009) of the date of enactment of the Recovery Act. EPA must submit a report containing detailed project level information associated with the general plan within 90 days (May 18, 2009) of enactment of the Recovery Act.[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 provided $576 million to existing contracts for 57 projects in 28 States,[49] representing nearly 100 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.

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[47] *Id.* § 701.
[48] *Id.* § 1512.
[49] 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.[50]

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.[51]

Recovery Act Implementation: EPA has awarded grants or provided funds for existing grants or contracts worth $79 million for 176 Brownfields projects in 39 States, representing 79 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.

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[50] *Id.* § 701.
[51] *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.[52]

Recovery Act Implementation: NRCS has signed contracts worth $17 million to rehabilitate 16 aging dams throughout the country, representing 33 percent of the total apportionment.[53] 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.

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[52] *Id.* § 1512.

[53] 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.[54]

Recovery Act Implementation: NRCS has signed contracts worth $120 million for 396 projects, representing 48 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.

[54] *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.[55]

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.[56]

Recovery Act Implementation: IBWC has awarded contracts worth $74 million for six projects, representing 34 percent of the total apportionment. 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.

[55] *Id.* Title XI.
[56] *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.[57]

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

[57] *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.[58]

Recovery Act Implementation: The Corps has committed $2.5 billion for 758 Recovery Act projects in 49 States, Puerto Rico, and the District of Columbia, representing 54 percent of the total amount of Recovery Act funds allocated to the Corps.[59] This includes over $2.2 billion for new contracts and new work orders against existing contracts.

Construction Program ($2 billion): The Corps has committed $830 million for 138 projects. This represents 42 percent of the apportionment for this program.

Operation and Maintenance Program ($2.075 billion): The Corps has committed $1.4 billion for 519 projects. This represents 66 percent of the apportionment for this program.

Mississippi River and Tributaries Program ($375 million): The Corps has committed $180 million for 37 projects. This represents 48 percent of the apportionment for this program.

Formerly Utilized Remedial Action Program ($100 million): The Corps has committed $90 million for 10 projects. This represents 90 percent of the apportionment for this program.

Investigations Program ($25 million): The Corps has committed $16 million for 49 projects. This represents 64 percent of the apportionment for this program.

Regulatory Program ($25 million): The Corps has committed $9 million for five projects. This represents 37 percent of the apportionment for this program.

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.

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[58] *Id.* § 1512.

[59] On April 28, 2009, the Corps posted its lists of Civil Works work packages funded by the Recovery Act. 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.

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.[60] 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.[61].

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

[60] *See* Energy Independence and Security Act of 2007, Pub. L. No. 110-140, § 401 (2007).
[61] 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.[62]

Recovery Act Implementation: GSA has awarded contracts worth $1.4 billion in Federal Buildings Recovery Act funds for 314 projects, representing 26 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, and amended November 23, 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 ($734 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 ($3.1 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 ($842 million); and
- modernizing Federal buildings and courthouses with small projects to convert facilities to high-performance green buildings ($331 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

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[62] *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.[63]

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.[64]

Recovery Act Implementation: The Smithsonian has signed contracts worth $22 million for 13 projects, representing 87 percent of the total apportionment. The Smithsonian expects to 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.

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[63] *Id.* § 701.
[64] *Id.* § 1512.

ECONOMIC DEVELOPMENT ADMINISTRATION – $150 MILLION

Recovery Act: Provides $150 million for EDA's economic development programs, of which not less than $50 million shall be for economic adjustment assistance under section 209 of the Public Works and Economic Development Act of 1965, and up to $50 million may be transferred to federally authorized regional economic development commissions.[65]

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

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

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

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

Transparency and Accountability Requirements: Each recipient that receives Recovery Act funds from a Federal agency must submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[66]

Recovery Act Implementation: On September 25, 2009, EDA reached a milestone by awarding its final Recovery Act project. In total, EDA awarded 68 grants in 37 States totaling $147 million,

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[65] *Id.* Title II.
[66] *Id.* § 1512.

representing nearly 100 percent of the total apportionment.[67] To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

EDA funded projects in some of the areas most deeply impacted by the current recession. These projects target opportunities that will jump start our economy, while at the same time, support investments that will contribute to sustained economic growth across the country. EDA's implementation plan supports a diverse collection of activities, including:

- 23 projects to promote the development of regional innovation clusters, which leverage a region's existing competitive strengths to boost job creation and economic growth ($50 million);
- 13 projects to promote business incubation ($37 million);
- 14 projects to promote green jobs ($27 million); and
- five projects to promote trade and help connect regional economies to the opportunities offered by the global marketplace ($11 million).

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

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

FEDERAL EMERGENCY MANAGEMENT AGENCY – $210 MILLION

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

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

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

Transparency and Accountability Requirements: Each recipient that receives Recovery Act funds from a Federal agency must submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[68]

Recovery Act Implementation: Approximately three months after applications for grants were due,[69] FEMA, on September 23, 2009, awarded 104 grants in 36 States totaling $166 million. This represents 79 percent of the total available funds. FEMA plans to award the remaining funds by January 2010. To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

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.

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

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[68] *Id.* § 1512.

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

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.[70]

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.[71]

Recovery Act Implementation: The Coast Guard has committed to spend $13 million. This represents 13 percent of the total apportionment for Acquisition, Construction, and Improvements. To view the specific projects, see:
http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852.

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

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[70] *Id.* Title VI.
[71] *Id.* § 1512.

<u>BRIDGE ALTERATIONS – $142 MILLION</u>

<u>Recovery Act</u>: 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.

<u>Distribution</u>: Distributes funds through the Coast Guard's existing administrative processes.

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

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

<u>Transparency and Accountability Requirements</u>: 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.[72]

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.[73]

<u>Recovery Act Implementation</u>: Contracts have been awarded and construction has started on three of the four planned bridge projects totaling $81 million, representing 57 percent of the available funds.[74] 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.[75] To view the specific projects, see: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852

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

[72] *Id.* Title VI.

[73] *Id.* § 1512.

[74] The Coast Guard plans to have a contract awarded for the remaining bridge, the Galveston Bridge Project over the Intercoastal Waterway in Texas, by early February 2010.

[75] 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.[76]

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. 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.

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[76] *Id.* § 1512.

Committee on Transportation and Infrastructure
the American Recovery and Reinvestment Act of 2009 (P.L. 111-5) (Recovery Act)
Bridges Improved by Recovery Act Highway and Bridge Funds

State	Bridge Improvement	Bridge Replacement	New Bridge Construction	Total
Alabama	1	2		3
Alaska	2			2
Arizona	3	1	2	6
Arkansas	1	4	2	7
California	7	2		9
Colorado		4		4
Connecticut	9	4		13
Delaware	2			2
District of Columbia	2			2
Florida	15		2	17
Georgia		25		25
Hawaii	3	1		4
Idaho	5		2	7
Illinois	46	27		73
Indiana	73	16	13	102
Iowa	5	19	1	25
Kansas	1	15		16
Kentucky	1			1
Louisiana		12		12
Maine	5	3		8
Maryland	9	2		11
Massachusetts	1	2		3
Michigan	22	8		30
Minnesota	4	28	3	35
Mississippi	5	12		17
Missouri	8	2	2	12
Montana	4	5		9
Nebraska	7	14		21
Nevada			1	1
New Hampshire				-
New Jersey	7	3	1	11
New Mexico	2	2		4
New York	53	50		103
North Carolina	16	11	1	28
North Dakota	1	4		5
Ohio	22	21	1	44
Oklahoma	6	54	4	64
Oregon				-
Pennsylvania	236	45		281
Rhode Island	5	1		6
South Carolina		7		7
South Dakota				-
Tennessee		52	1	53
Texas		43	8	51
Utah	3	3		6
Vermont	4	2		6
Virginia				-
Washington	1	8	3	12
West Virginia	25	26		51
Wisconsin	16	43		59
Wyoming	3			3
Puerto Rico	1			1
National	642	583	47	1,272

This table was prepared by the Committee on Transportation and Infrastructure Majority staff based on information provided by the U.S. Department of Transportation. Data is based on obligations as of December 8, 2009.

Committee on Transportation and Infrastructure
the American Recovery and Reinvestment Act of 2009 (P.L. 111-5) (Recovery Act)
Miles Improved by Recovery Act Highway and Bridge Funds

State	New Construction	Pavement Improvement	Pavement Widening	Safety Traffic Management	Transportation Enhancements	Other	Total
Alabama	3.6	540.3	12.7	32.8	2.9		592.4
Alaska	0.1	101.1	0.7		7.7	1.8	111.5
Arizona	3.3	238.5	44.3		3.3	180.1	469.5
Arkansas	30.4	181.0	20.9	0.6	0.4	2.1	235.4
California	2.5	1,565.0	20.9	122.8	144.6	70.3	1,926.1
Colorado	4.8	216.8	24.6	63.5	15.6	3.0	328.3
Connecticut		31.9		9.0	1.1		42.0
Delaware		35.5		108.6	1.7	8.3	154.0
District of Columbia		45.5	0.3	15.0			60.7
Florida	9.1	427.9	52.1	152.5	77.5	2.3	721.5
Georgia	17.6	967.3	19.2	107.4	27.5		1,138.9
Hawaii	1.0	21.5	0.6	2.4			25.5
Idaho	5.1	108.2	15.7		0.7	41.3	171.0
Illinois	4.0	1,113.5	2.2	15.4	17.9	41.7	1,194.7
Indiana	19.3	1,539.0	24.5	161.9	25.7	60.0	1,830.4
Iowa	4.0	312.0	0.6	0.9	1.9	0.1	319.4
Kansas	2.9	93.0	35.1	3.9	2.3	7.4	144.5
Kentucky	5.1	146.8	23.2	0.9	5.4	0.3	181.6
Louisiana	4.6	45.9	2.4		3.2		56.0
Maine		198.8		1.8	0.4	0.4	201.3
Maryland		155.3	2.5	82.4	33.1		273.2
Massachusetts		125.2		12.6	3.3		141.2
Michigan		950.0	13.4	109.2	14.4	49.7	1,136.7
Minnesota		414.0	3.6	78.0	11.3	4.5	511.3
Mississippi	4.3	323.7	7.6	3.0	4.7		343.3
Missouri	31.9	1,129.6	54.2	1.4	23.6	41.3	1,282.0
Montana	0.5	340.5	9.3	5.2	0.4		355.9
Nebraska	0.0	331.2	2.2		0.2		333.6
Nevada	1.2	126.9			5.3	0.5	133.9
New Hampshire	2.8	131.8	3.8		0.7		139.2
New Jersey		128.3		16.7	2.7	23.4	171.2
New Mexico	24.0	139.3	52.1	1.7	11.1		228.2
New York	0.1	901.0	2.4	173.5	14.4	59.8	1,151.3
North Carolina	2.4	179.7	37.5	13.8	7.4	0.1	240.9
North Dakota		1,072.5			5.2	9.1	1,086.8
Ohio	4.2	468.0	4.7	37.8	7.4	4.1	526.2
Oklahoma		404.5	20.9	0.5	0.2		426.1
Oregon	0.0	413.3	12.6	44.1	5.5	67.5	543.0
Pennsylvania	0.2	970.9	3.7	831.3	381.1	4.9	2,192.3
Rhode Island		87.0		51.1	3.5	3.0	144.5
South Carolina	4.2	306.3	15.9	197.2	10.7	19.4	553.8
South Dakota		296.8	1.1				297.9
Tennessee	19.8	600.5	39.6	4.9	6.0	110.9	781.8
Texas	14.1	1,948.4	75.0	17.2	12.4	10.3	2,077.4
Utah	9.1	169.8	4.8	5.9	4.3	23.0	217.0
Vermont		207.2	7.1		0.6		214.9
Virginia		269.1	12.7	0.7		14.9	297.3
Washington	3.3	472.8	10.5	773.2	27.9	22.1	1,309.9
West Virginia	1.0	121.8	4.6				127.4
Wisconsin	0.1	196.7	35.7	0.4	1.0	1.7	235.6
Wyoming		302.6	3.6	13.6	4.6	29.7	354.0
American Samoa						0.1	0.1
Guam						0.2	0.2
Northern Marianas						0.1	0.1
Puerto Rico		14.8	2.5				17.3
Virgin Islands	4.9					0.4	5.2
National	245.4	21,628.9	743.6	3,274.7	943.2	919.8	27,755.6

This table was prepared by the Committee on Transportation and Infrastructure Majority staff based on information provided by the U.S. Department of Transportation. Data is based on obligations as of December 8, 2009.

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 October 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	$43,821,600	$0	4	$23,828,178	3	$13,767,115	3	$13,767,115	0	$0	0	0	$0
Highway Infrastructure Investment	$513,692,083	$436,274,785	$48,988,729	105	$384,440,918	105	$384,440,918	82	$362,987,133	6	$5,296,842	1,563	271,005	$4,047,885
Transit Capital Assistance	$40,132,290	$12,977,420	$158	10	$13,562,092	6	$4,282,489	5	$460,679	1	$235,221	1	259	$7,725
Total	$597,645,931	$493,073,805	$48,988,887	119	$421,831,188	114	$402,490,522	90	$377,214,927	7	$5,532,063	1,564	271,264	$4,055,610
Alaska														
Clean Water State Revolving Fund	$23,454,981	$1,202,406	$2,044,815	15	$13,951,497	8	$5,290,092	7	$4,428,292	2	$514,870	11	1,877	$87,259
Highway Infrastructure Investment	$175,461,487	$121,202,371	$37,524,324	16	$104,551,871	13	$90,848,475	13	$90,848,475	0	$0	751	130,139	$5,927,861
Transit Capital Assistance	$40,869,479	$35,117,447	$12,466,731	52	$23,441,064	16	$19,164,284	16	$19,164,284	0	$0	83	14,457	$2,023,258
Total	$239,785,947	$157,522,224	$52,035,870	83	$141,944,432	37	$115,302,851	36	$114,441,051	2	$514,870	845	146,473	$8,038,378
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
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	$4,557,628	15	$23,506,412	15	$23,506,412	14	$22,179,200	3	$4,432,000	735	127,344	$3,770,760
Fixed Guideway	$640,070	$640,070	$455	1	$640,070	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$521,958,401	$292,573,878	$56,184,562	169	$223,978,701	166	$207,273,964	159	$198,623,160	0	$0	2,900	502,685	$12,524,695
Transit Capital Assistance	$103,670,276	$81,720,888	$4,020,172	29	$31,306,938	18	$11,591,101	12	$6,712,829	0	$0	444	76,996	$2,304,903
Total	$652,738,377	$398,441,248	$64,762,817	214	$279,432,121	199	$242,371,477	185	$227,515,189	3	$4,432,000	4,079	707,025	$18,600,358
Arkansas														
Clean Water State Revolving Fund	$25,636,545	$2,115,000	$88,000	3	$21,036,500	1	$2,115,000	0	$0	0	$0	4	642	$66,400
Highway Infrastructure Investment	$351,544,468	$225,537,719	$51,898,497	75	$158,802,101	75	$158,802,101	68	$146,157,512	51	$48,170,000	1,206	209,096	$3,771,383
Transit Capital Assistance	$20,573,849	$18,612,934	$2,529,836	17	$12,702,240	14	$11,056,188	14	$11,244,593	1	$80,054	155	26,880	$403,200
Total	$397,754,862	$246,265,653	$54,516,333	95	$192,540,841	90	$171,973,289	82	$157,402,105	52	$48,250,054	1,365	236,618	$4,240,983
California														
Clean Water State Revolving Fund	$280,285,335	$254,932,362	$12,364,843	90	$233,399,752	83	$230,654,603	63	$181,432,248	0	$0	1,542	267,352	$9,563,181
Fixed Guideway	$66,171,889	$63,214,610	$3,128,190	9	$62,083,158	8	$50,400,331	10	$55,029,413	0	$0	234	40,514	$3,118,726
Highway Infrastructure Investment	$2,569,568,320	$2,077,181,525	$90,510,845	484	$1,879,130,944	300	$1,167,779,789	300	$1,167,779,789	49	$56,350,962	5,305	919,554	$46,051,470
Transit Capital Assistance	$854,178,909	$811,362,457	$145,687,909	318	$555,777,176	263	$535,451,770	277	$635,038,945	103	$41,695,101	14,873	2,577,908	$90,398,732
Total	$3,770,204,453	$3,206,690,954	$251,691,787	901	$2,730,391,030	654	$1,984,286,493	650	$2,039,280,395	152	$98,046,063	21,954	3,805,328	$149,132,109
Colorado														
Clean Water State Revolving Fund	$31,348,152	$28,277,193	$1,283,215	12	$28,277,193	12	$28,277,193	12	$28,277,193	0	$0	2	409	$12,075
Fixed Guideway	$753,399	$753,399	$0	1	$753,399	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$403,924,130	$283,362,410	$58,509,973	65	$281,444,705	62	$244,290,025	57	$241,160,590	8	$14,168,746	2,811	487,199	$12,135,544
Transit Capital Assistance	$121,307,240	$112,641,397	$12,193,125	36	$83,530,549	27	$79,546,530	26	$27,166,248	3	$172,639	1,225	212,288	$439,567
Total	$557,332,921	$425,034,399	$71,986,313	114	$394,005,846	101	$352,113,748	95	$296,604,031	11	$14,341,385	4,038	699,896	$12,587,186

*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	$38,408,240	$3,575,147	3	$36,487,828	2	$28,659,148	2	$28,659,148	0	$0	122	21,192	$732,041
Fixed Guideway	$32,030,396	$32,030,396	$175,396	4	$27,030,396	1	$5,000,000	1	$5,000,900	0	$0	0	0	$0
Highway Infrastructure Investment	$302,053,956	$218,533,539	$19,407,791	38	$203,835,967	36	$198,493,567	32	$196,745,027	0	$0	578	100,136	$3,554,354
Transit Capital Assistance	$120,767,245	$119,035,745	$40,469	8	$79,727,665	7	$11,764,155	6	$10,264,155	0	$0	0	0	$304
Total	$502,861,897	$408,007,920	$23,198,803	53	$347,081,856	46	$243,916,870	41	$240,668,330	0	$0	700	121,328	$4,286,699
Delaware														
Clean Water State Revolving Fund	$19,239,066	$6,583,986	$97,875	2	$6,583,986	2	$6,583,986	1	$5,083,986	0	$0	0	0	$0
Highway Infrastructure investment	$121,828,650	$60,133,001	$11,920,566	30	$59,733,001	26	$53,078,683	27	$52,921,063	1	$275,336	784	135,909	$3,356,441
Transit Capital Assistance	$19,000,000	$17,657,886	$0	1	$9,315,635	1	$6,540,501	1	$7,754,000	0	$0	0	0	$0
Total	$160,067,716	$84,374,873	$12,018,441	33	$75,632,622	29	$66,203,170	29	$65,759,049	1	$275,336	784	135,909	$3,356,441
District of Columbia														
Clean Water State Revolving Fund	$19,239,066	$1,560,000	$0	1	$4,550,000	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$13,888,380	$17,749,826	$1,636,404	6	$17,749,826	5	$10,730,000	5	$10,730,000	0	$0	6	1,086	$192,407
Highway Infrastructure Investment	$123,507,842	$108,926,623	$2,374,678	13	$106,994,659	10	$93,183,045	6	$27,514,958	1	$1,000,000	165	28,589	$733,803
Transit Capital Assistance	$184,083,396	$182,478,396	$6,686,846	22	$177,448,222	11	$109,754,722	11	$109,754,722	1	$868,650	11	1,833	$95,285
Total	$340,718,684	$310,714,845	$10,697,928	42	$306,742,707	26	$213,667,767	22	$147,999,680	2	$1,868,650	182	31,508	$1,021,495
Florida														
Clean Water State Revolving Fund	$132,286,374	$120,624,492	$5,801,384	23	$120,624,492	21	$107,319,864	18	$99,939,920	0	$0	763	132,207	$1,123,015
Fixed Guideway	$5,410,766	$66,168	$0	1	$31,550	1	$31,550	1	$31,550	0	$0	0	0	$0
Highway Infrastructure Investment	$1,346,735,003	$1,038,191,407	$17,389,624	409	$1,283,508,628	252	$843,559,983	167	$511,813,479	10	$3,143,566	909	157,625	$3,709,854
Transit Capital Assistance	$277,775,773	$161,479,436	$22,033,122	172	$76,903,279	156	$74,373,137	123	$50,853,871	36	$4,615,394	384	66,563	$2,731,155
Total	$1,762,207,916	$1,320,361,503	$45,224,130	605	$1,481,067,949	430	$1,025,284,534	309	$662,638,820	46	$7,758,960	2,056	356,395	$7,564,024
Georgia														
Clean Water State Revolving Fund	$84,336,773	$60,827,026	$0	23	$53,540,334	26	$53,074,880	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	$728,600,265	$44,297,211	191	$688,526,789	149	$516,913,910	133	$458,226,621	0	$0	1,828	316,794	$5,836,999
Transit Capital Assistance	$101,012,647	$91,901,656	$14,766,228	10	$42,648,336	5	$14,033,829	3	$26,343,248	0	$0	2,490	431,580	$14,766,228
Total	$1,124,315,954	$888,709,801	$59,063,439	225	$792,096,313	180	$584,022,619	136	$484,569,869	0	$0	4,318	748,374	$20,603,227
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	7	$30,352,300	2	$9,712,134	2	$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	$71,426,692	$1,479,632	16	$64,361,223	10	$34,852,292	9	$29,565,126	0	$0	80	13,889	$574,841
Transit Capital Assistance	$43,582,583	$43,582,583	$0	5	$22,278,642	4	$2,888,831	4	$2,888,831	0	$0	0	0	$-
Total	$199,936,067	$115,264,068	$1,479,632	29	$117,246,958	16	$47,453,257	15	$32,453,957	0	$0	80	13,889	$574,841
Idaho														
Clean Water State Revolving Fund	$19,239,066	$13,589,550	$777,345	1	$3,160,000	1	$3,160,000	1	$3,160,000	0	$0	72	12,538	$288,000
Highway Infrastructure Investment	$181,934,631	$159,335,074	$18,254,523	31	$157,327,747	12	$100,126,097	12	$100,126,097	0	$0	808	140,053	$4,169,367
Transit Capital Assistance	$29,935,867	$29,214,994	$39,903	9	$1,513,590	6	$768,589	5	$710,949	0	$0	9	1,550	$72,886
Total	$231,109,564	$202,139,618	$19,071,771	41	$162,001,337	19	$104,054,686	18	$103,997,046	0	$0	889	154,141	$4,530,253

*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	$85,222,362	$5,898,282	57	$156,492,713	30	$85,222,362	15	$35,154,873	0	$0	127	21,964	$945,996
Fixed Guideway	$96,088,797	$59,065,050	$34,382,325	9	$95,534,850	9	$95,534,850	6	$55,209,245	3	$32,580,000	3,791	657,179	$26,727,383
Highway Infrastructure Investment	$935,592,704	$772,795,378	$312,999,230	573	$850,566,544	440	$665,534,483	327	$580,494,587	136	$196,061,509	7,826	1,356,427	$51,059,892
Transit Capital Assistance	$365,568,604	$335,759,576	$133,098,712	30	$296,845,827	33	$327,265,726	25	$241,516,066	2	$100,000,000	8,837	1,531,833	$66,841,605
Total	$1,574,493,171	$1,252,842,366	$486,378,549	669	$1,399,439,934	512	$1,173,557,421	373	$912,374,771	141	$328,641,509	20,581	3,567,403	$145,574,876
Indiana														
Clean Water State Revolving Fund	$94,447,485	$65,107,406	$13,757,312	30	$57,624,671	20	$35,303,735	18	$30,743,735	0	$0	198	34,373	$924,200
Fixed Guideway	$5,858,540	$6,412,487	$142,431	1	$6,412,487	1	$6,412,487	1	$6,412,487	0	$0	4	771	$66,082
Highway Infrastructure Investment	$657,967,707	$512,347,409	$130,870,474	602	$405,793,755	503	$371,156,629	503	$371,156,629	40	$22,259,101	3,818	661,729	$22,379,806
Transit Capital Assistance	$76,645,415	$61,382,334	$14,904,697	43	$52,130,100	46	$49,746,389	45	$192,564,800	15	$1,051,378	1,314	227,773	$5,140,529
Total	$834,919,147	$645,249,636	$159,674,914	676	$521,961,013	570	$462,619,240	567	$600,877,651	55	$23,310,479	5,334	924,646	$28,510,617
Iowa														
Clean Water State Revolving Fund	$53,040,042	$53,040,000	$0	28	$26,042,056	16	$17,856,536	12	$14,228,686	0	$0	0	0	$0
Highway Infrastructure Investment	$358,162,431	$335,530,958	$191,196,153	203	$329,750,793	195	$322,936,611	183	$313,743,599	37	$32,614,388	5,945	1,030,527	$26,734,735
Transit Capital Assistance	$35,640,339	$33,019,396	$3,829,724	90	$31,015,468	90	$28,964,385	34	$9,617,739	4	$649,068	115	19,893	$98,307
Total	$446,842,812	$421,590,354	$195,025,877	321	$386,808,317	301	$369,757,532	229	$337,590,024	41	$33,263,456	6,060	1,050,420	$26,833,042
Kansas														
Clean Water State Revolving Fund	$35,374,185	$7,004,435	$70,500	6	$7,902,100	3	$1,807,054	3	$1,807,054	1	$70,500	0	0	$0
Highway Infrastructure Investment	$347,817,167	$257,784,360	$16,696,219	91	$257,784,360	61	$225,065,271	29	$212,068,541	3	$1,407,051	1,146	198,603	$5,150,182
Transit Capital Assistance	$25,187,018	$20,514,032	$676,815	13	$7,383,295	10	$9,850,295	8	$5,483,043	4	$221,444	27	4,662	$110,614
Total	$408,378,370	$285,302,827	$17,443,534	110	$273,069,755	74	$236,722,620	40	$219,358,638	8	$1,698,995	1,173	203,265	$5,260,796
Kentucky														
Clean Water State Revolving Fund	$49,878,081	$43,536,931	$375	15	$15,416,311	4	$4,416,440	4	$4,416,440	1	$375	40	6,963	$204,628
Highway Infrastructure Investment	$421,094,991	$350,632,341	$71,475,641	50	$343,779,691	44	$285,414,363	26	$281,449,930	0	$0	2,182	378,170	$10,974,989
Transit Capital Assistance	$49,375,837	$46,365,491	$11,433,387	75	$31,723,884	65	$32,212,832	66	$27,395,866	2	$413,180	388	67,191	$1,970,322
Total	$520,348,909	$440,534,763	$82,909,403	140	$390,919,886	113	$322,043,635	96	$313,262,236	3	$413,555	2,610	452,324	$13,149,939
Louisiana														
Clean Water State Revolving Fund	$43,081,434	$7,385,285	$0	53	$43,081,400	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$2,425,343	$2,425,300	$2,425,300	2	$2,425,300	2	$80,000	2	$80,000	0	$0	0	0	$0
Highway Infrastructure Investment	$429,859,127	$348,721,797	$8,776,013	54	$243,505,997	41	$227,485,714	30	$188,924,397	0	$0	466	80,855	$2,254,942
Transit Capital Assistance	$50,354,743	$36,585,237	$14,939,905	53	$16,952,890	95	$22,667,414	85	$16,276,666	52	$11,885,109	1,636	283,550	$2,917,631
Total	$525,720,947	$395,117,619	$26,141,218	162	$305,965,587	138	$250,233,128	117	$205,281,063	52	$11,885,109	2,102	364,405	$5,172,573
Maine														
Clean Water State Revolving Fund	$30,336,768	$24,543,997	$0	35	$26,333,713	35	$26,333,713	30	$25,293,713	9	$1,745,387	372	64,433	$1,711,991
Highway Infrastructure Investment	$130,752,032	$130,752,032	$79,526,463	71	$130,752,032	71	$130,752,032	71	$130,752,032	37	$57,911,717	2,782	482,280	$12,649,571
Transit Capital Assistance	$13,266,105	$13,266,105	$0	3	$13,266,105	3	$10,813,176	3	$651,320	0	$0	0	0	$0
Total	$174,354,905	$168,562,134	$79,526,463	109	$170,351,850	109	$167,898,921	104	$156,697,065	46	$59,657,104	3,154	546,713	$14,361,562
Maryland														
Clean Water State Revolving Fund	$94,784,580	$17,272,290	$18,000	65	$77,512,310	10	$17,272,290	10	$17,272,290	0	$0	28	4,936	$96,663
Fixed Guideway	$15,265,694	$15,176,485	$490,908	5	$12,176,485	3	$6,377,914	3	$6,377,914	1	$400,000	36	6,234	$222,235
Highway Infrastructure Investment	$431,034,777	$378,810,623	$59,164,004	110	$285,141,174	103	$256,653,889	101	$247,797,360	6	$9,692,070	2,574	446,189	$8,612,006
Transit Capital Assistance	$136,550,987	$110,234,914	$13,056,467	31	$91,029,361	45	$85,881,996	23	$51,507,334	6	$345,966	487	84,365	$2,519,429
Total	$677,636,038	$521,494,312	$72,729,379	211	$465,859,330	161	$366,186,089	137	$322,954,898	13	$10,438,036	3,125	541,724	$11,450,333

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	Recovery Act Funds Allocated	Recovery Act Funds Obligated	Recovery Act Funds Outlayed	Projects Put Out to Bid	Recovery Act Funds Associated with Projects Put Out to Bid	Projects Under Contract	Recovery Act Funds Associated with Projects Under Contract	Projects in Which Work Has Begun	Recovery Act Funds Associated with Projects in Which Work Has Begun	Completed Projects	Recovery Act Funds Associated with Completed Projects	Direct, On-Project Jobs Created or Sustained (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	36	$60,636,240	18	$13,441,863	18	$13,441,863	0	$0	0	0	$0
Fixed Guideway	$52,362,925	$51,513,648	$27,702	12	$10,993,495	10	$10,831,495	10	$10,831,495	0	$0	1	223	$10,649
Highway Infrastructure Investment	$437,865,255	$256,646,302	$16,232,147	46	$256,646,302	34	$113,841,776	34	$113,841,776	0	$0	768	133,194	$5,173,977
Transit Capital Assistance	$248,656,537	$173,850,933	$4,854,774	104	$87,299,153	72	$75,711,267	69	$64,234,381	18	$853,851	247	42,872	$563,247
Total	$871,941,905	$482,010,883	$21,114,623	198	$415,575,190	134	$213,826,401	131	$202,349,515	18	$853,851	1,016	176,289	$5,747,873
Michigan														
Clean Water State Revolving Fund	$168,508,989	$78,857,000	$30,505,302	40	$193,613,000	34	$60,767,000	33	$56,332,000	0	$0	1,040	180,272	$6,821,932
Highway Infrastructure Investment	$847,204,834	$708,088,294	$149,970,759	406	$700,450,816	343	$493,699,699	302	$449,280,605	172	$82,953,225	4,382	759,628	$22,766,791
Transit Capital Assistance	$134,510,659	$91,051,170	$10,519,263	72	$80,731,178	70	$43,284,312	38	$29,551,561	6	$795,254	2,362	409,389	$31,873,634
Total	$1,150,224,482	$877,996,464	$190,995,324	518	$974,794,994	447	$597,751,011	373	$535,164,166	178	$83,748,479	7,784	1,349,289	$61,462,357
Minnesota														
Clean Water State Revolving Fund	$82,564,000	$82,023,501	$23,232,797	25	$79,682,760	25	$79,682,760	25	$79,682,760	0	$0	697	120,841	$4,720,392
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	$379,537,700	$158,257,620	154	$376,893,471	142	$344,025,151	121	$331,542,803	46	$88,796,615	5,274	914,075	$30,262,449
Transit Capital Assistance	$93,341,542	$89,749,954	$19,449,360	77	$63,467,520	77	$63,455,389	73	$59,167,883	36	$19,750,013	2,327	403,277	$17,880,361
Total	$680,041,292	$553,162,728	$200,939,777	257	$521,850,594	245	$488,970,143	220	$472,200,289	82	$108,546,628	8,298	1,438,193	$52,863,202
Mississippi														
Clean Water State Revolving Fund	$35,308,350	$35,308,300	$0	15	$34,896,803	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$354,654,343	$299,380,417	$68,723,071	77	$291,991,337	69	$284,653,997	61	$249,557,623	13	$30,559,200	3,325	576,314	$8,465,325
Transit Capital Assistance	$20,300,000	$10,774,617	$84,236	0	$0	20	$11,190,381	2	$84,236	0	$0	23	4,024	$65,039
Total	$410,262,693	$345,463,334	$68,807,307	92	$326,888,140	89	$295,844,378	63	$249,641,859	13	$30,559,200	3,348	580,338	$8,530,364
Missouri														
Clean Water State Revolving Fund	$108,641,808	$7,864,000	$1,431	11	$15,818,754	2	$6,500,000	1	$3,500,000	0	$0	0	0	$0
Fixed Guideway	$1,289,449	$1,289,449	$48,971	0	$0	0	$0	1	$48,971	0	$0	5	824	$43,335
Highway Infrastructure Investment	$637,121,984	$439,323,057	$111,771,964	189	$403,741,593	180	$390,262,283	176	$388,736,068	75	$59,225,030	2,538	439,995	$15,158,386
Transit Capital Assistance	$91,683,858	$82,463,251	$9,393,657	42	$34,321,730	37	$30,356,466	36	$20,671,161	9	$1,335,269	213	36,906	$811,738
Total	$838,737,099	$530,939,757	$121,216,023	242	$453,882,077	219	$427,118,749	214	$412,956,200	84	$60,560,299	2,756	477,725	$16,013,459
Montana														
Clean Water State Revolving Fund	$19,239,066	$8,718,564	$2,349,941	26	$18,031,564	19	$13,578,564	15	$10,968,564	2	$1,500,000	506	87,789	$2,622,087
Highway Infrastructure Investment	$211,793,391	$155,929,025	$40,969,155	66	$155,412,025	63	$129,982,025	59	$118,994,371	8	$3,577,897	1,565	271,310	$7,556,265
Transit Capital Assistance	$15,611,710	$15,611,710	$277,377	11	$5,482,520	8	$4,037,481	3	$2,016,803	0	$0	1	254	$19,809
Total	$246,644,167	$180,259,299	$43,596,472	103	$178,926,109	90	$147,598,070	77	$131,979,738	10	$5,077,897	2,072	359,353	$10,198,161
Nebraska														
Clean Water State Revolving Fund	$20,045,025	$17,114,500	$4,319,374	8	$9,803,000	6	$8,612,500	6	$8,612,500	1	$150,000	335	58,136	$942,224
Highway Infrastructure Investment	$235,589,279	$161,749,474	$60,320,100	47	$161,749,474	43	$133,273,619	42	$132,757,928	0	$0	2,286	396,260	$6,909,845
Transit Capital Assistance	$23,790,610	$16,008,328	$225,253	18	$12,689,970	8	$9,750,762	12	$9,451,271	8	$64,184	15	2,532	$56,573
Total	$279,424,914	$194,872,302	$64,864,727	73	$184,242,444	57	$151,636,881	60	$150,821,699	9	$214,184	2,636	456,928	$7,908,642
Nevada														
Clean Water State Revolving Fund	$19,239,066	$16,643,747	$596,511	6	$11,938,100	2	$994,647	2	$994,647	0	$0	38	6,642	unavailable
Highway Infrastructure Investment	$201,352,460	$96,453,625	$17,642,015	23	$96,453,625	15	$72,389,976	13	$62,119,456	0	$0	769	133,371	$4,917,065
Transit Capital Assistance	$49,463,770	$46,866,308	$0	20	$42,524,290	20	$42,524,290	20	$42,524,290	0	$0	359	62,294	$3,247,997
Total	$270,055,296	$159,963,680	$18,238,526	49	$150,916,015	37	$115,908,913	35	$105,638,393	0	$0	1,166	202,307	$8,165,062

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	Recovery Act Funds Allocated	Recovery Act Funds Obligated	Recovery Act Funds Outlayed	Projects Put Out to Bid	Recovery Act Funds Associated with Projects Put Out to Bid	Projects Under Contract	Recovery Act Funds Associated with Projects Under Contract	Projects in Which Work Has Begun	Recovery Act Funds Associated with Projects in Which Work Has Begun	Completed Projects	Recovery Act Funds Associated with Completed Projects	Direct, On-Project Jobs Created or Sustained (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	$54,874,930	$706,154	28	$26,554,679	13	$8,708,358	13	$8,708,358	1	$21,750	127	22,006	$554,414
Highway Infrastructure Investment	$129,440,556	$121,112,588	$40,345,995	28	$121,112,588	26	$120,044,259	24	$119,537,214	4	$12,985,208	1,294	224,240	$5,447,906
Transit Capital Assistance	$16,745,804	$11,872,238	$916,303	38	$11,560,135	35	$11,190,534	36	$9,381,628	17	$829,765	76	13,209	$343,711
Total	$185,350,265	$167,859,756	$41,968,452	94	$159,227,402	74	$139,943,151	73	$137,627,200	22	$13,836,723	1,497	259,455	$6,346,031
New Jersey														
Clean Water State Revolving Fund	$160,146,855	$33,732,160	$1,914,314	34	$156,650,102	9	$30,403,360	8	$27,917,987	0	$0	2	429	unavailable
Fixed Guideway	$76,835,714	$66,600,791	$40,471,000	3	$46,276,571	1	$17,297,000	2	$51,601,000	0	$0	3,239	561,361	$14,247,342
Highway Infrastructure Investment	$651,774,480	$492,494,841	$71,355,758	67	$485,370,215	50	$452,038,009	45	$432,136,035	1	$761,170	1,346	233,316	$9,784,051
Transit Capital Assistance	$362,435,313	$303,541,676	$58,795,000	12	$301,935,313	8	$199,570,000	8	$234,203,000	0	$0	2,706	469,033	$18,264,666
Total	$1,251,192,362	$896,369,468	$172,536,072	116	$990,232,201	68	$699,308,369	63	$745,858,022	1	$761,170	7,293	1,264,139	$42,296,059
New Mexico														
Clean Water State Revolving Fund	$19,239,066	$6,860,239	$0	2	$6,169,895	2	$6,169,895	2	$6,169,895	0	$0	0	0	$0
Highway Infrastructure Investment	$252,644,377	$209,256,456	$30,825,734	14	$164,402,258	12	$149,043,476	12	$149,043,476	0	$0	348	60,356	$1,218,825
Transit Capital Assistance	$27,518,452	$27,518,452	$1,700,218	34	$27,293,452	34	$18,553,519	34	$18,553,519	0	$0	0	0	$0
Total	$299,401,895	$243,635,147	$32,525,952	50	$197,865,605	48	$173,766,890	48	$173,766,890	0	$0	348	60,356	$1,218,825
New York														
Clean Water State Revolving Fund	$432,563,967	$127,665,836	$14,453,092	24	$122,294,637	8	$40,718,939	7	$38,382,447	0	$0	946	163,987	$1,541,253
Fixed Guideway	$254,817,805	$254,817,807	$2,505,239	13	$254,817,807	13	$242,500,152	13	$242,500,152	0	$0	73	12,693	unavailable
Highway Infrastructure Investment	$1,120,684,723	$1,022,805,213	$114,380,412	334	$756,118,235	278	$627,151,502	275	$622,855,753	41	$26,190,441	3,863	669,617	$23,216,125
Transit Capital Assistance	$1,194,197,623	$1,003,142,637	$19,777,480	77	$1,055,173,447	65	$898,694,496	48	$865,535,534	6	$1,523,784	636	110,278	$4,850,380
Total	$3,002,264,118	$2,408,431,493	$151,116,223	448	$2,188,404,126	364	$1,809,065,089	343	$1,769,273,886	47	$27,714,225	5,518	956,575	$29,607,758
North Carolina														
Clean Water State Revolving Fund	$70,729,065	$62,714,837	$1,962,639	43	$47,621,340	31	$41,046,118	31	$41,046,118	1	$159,077	834	144,560	$1,042,505
Highway Infrastructure Investment	$735,526,684	$623,270,529	$119,867,225	220	$478,244,288	146	$435,674,398	122	$366,439,199	6	$8,356,329	5,339	925,456	$16,045,306
Transit Capital Assistance	$94,063,199	$77,593,611	$4,157,040	51	$29,119,942	49	$30,399,218	44	$25,492,186	3	$1,300,376	337	67,616	$1,160,259
Total	$900,318,948	$763,578,977	$125,986,904	314	$554,985,570	226	$507,119,734	197	$432,977,503	10	$9,815,782	6,510	1,137,632	$18,248,070
North Dakota														
Clean Water State Revolving Fund	$19,239,066	$10,100,000	$4,728,706	13	$10,100,000	13	$10,100,000	11	$9,500,000	0	$0	92	16,000	$375,000
Highway Infrastructure Investment	$170,126,497	$149,128,281	$60,201,891	119	$101,966,016	95	$86,289,526	83	$84,516,857	0	$0	2,148	372,313	$8,940,992
Transit Capital Assistance	$10,997,089	$10,997,089	$531,522	12	$4,963,794	10	$4,908,794	9	$3,830,639	3	$326,072	2	319	$23,074
Total	$200,362,652	$170,225,370	$65,462,119	144	$117,029,810	118	$101,298,320	103	$97,847,496	3	$326,072	2,242	388,632	$9,339,066
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	$4,500,000	$0	1	$4,500,000	1	$4,500,000	1	$4,500,000	0	$0	0	0	$0
Ohio														
Clean Water State Revolving Fund	$220,623,381	$80,702,755	$3,679,963	127	$80,702,755	25	$35,133,617	22	$28,708,134	0	$0	176	30,509	$675,124
Fixed Guideway	$12,772,779	$10,160,215	$0	6	$9,744,381	6	$9,744,381	6	$9,744,381	0	$0	74	12,852	$480,139
Highway Infrastructure Investment	$935,677,030	$475,001,693	$65,081,758	224	$475,001,693	168	$394,855,330	168	$394,855,330	13	$7,083,924	3,026	524,440	$16,557,311
Transit Capital Assistance	$164,269,076	$127,090,338	$30,548,763	270	$124,019,955	255	$96,973,610	158	$74,194,864	24	$18,675,912	2,642	457,894	$26,667,696
Total	$1,333,342,266	$692,955,001	$99,310,484	627	$689,468,784	454	$536,706,938	354	$507,502,709	37	$25,759,836	5,918	1,025,695	$44,380,270
Oklahoma														
Clean Water State Revolving Fund	$31,662,081	$7,276,696	$2,327,517	24	$17,343,862	14	$8,543,180	12	$6,333,180	0	$0	156	27,065	$808,556
Highway Infrastructure Investment	$464,655,225	$416,591,870	$186,241,133	166	$406,461,630	164	$405,717,165	136	$380,303,994	33	$50,275,094	5,472	948,456	$16,562,771
Transit Capital Assistance	$35,798,236	$31,848,236	$1,315,026	24	$22,031,763	26	$19,578,206	25	$19,498,206	1	$4,940	136	23,544	$456,788
Total	$532,115,542	$455,716,802	$189,883,676	214	$445,837,255	204	$433,838,551	173	$406,135,380	34	$50,280,034	5,764	999,065	$17,828,115

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	Recovery Act Funds Allocated	Recovery Act Funds Obligated	Recovery Act Funds Outlayed	Projects Put Out to Bid	Recovery Act Funds Associated with Projects Put Out to Bid	Projects Under Contract	Recovery Act Funds Associated with Projects Under Contract	Projects in Which Work Has Begun	Recovery Act Funds Associated with Projects in Which Work Has Begun	Completed Projects	Recovery Act Funds Associated with Completed Projects	Direct, On-Project Jobs Created or Sustained (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	$40,271,000	$2,149,501	10	$35,565,340	6	$19,565,340	6	$19,565,340	0	$0	79	13,653	$3,354,655
Fixed Guideway	$1,125,728	$1,125,728	$1,125,728	0	$0	0	$0	1	$1,125,728	1	$1,125,728	121	20,887	$1,125,728
Highway Infrastructure Investment	$333,902,389	$216,353,514	$77,287,502	195	$177,339,526	194	$177,309,526	190	$176,449,394	49	$4,575,728	3,169	549,327	$18,100,751
Transit Capital Assistance	$92,164,544	$80,562,679	$27,898,460	36	$60,729,436	36	$57,535,129	33	$66,398,570	5	$6,396,572	1,744	302,369	$14,485,128
Total	$471,463,679	$338,312,921	$108,461,191	241	$273,634,302	236	$254,409,995	230	$263,539,032	55	$12,098,028	5,113	886,236	$37,066,262
Pennsylvania														
Clean Water State Revolving Fund	$176,912,539	$176,727,530	$6,554,335	85	$176,407,530	57	$129,499,827	41	$102,592,700	0	$0	433	75,124	$1,924,816
Fixed Guideway	$80,303,844	$67,987,950	$8,455,342	11	$81,557,007	10	$80,850,506	10	$80,850,506	0	$0	310	53,663	$1,445,947
Highway Infrastructure Investment	$1,026,429,012	$886,452,003	$185,776,832	290	$962,541,214	274	$882,861,952	272	$881,409,952	59	$72,212,754	6,852	1,187,659	$34,931,368
Transit Capital Assistance	$259,779,964	$190,307,632	$20,294,425	86	$221,529,025	70	$210,936,778	66	$204,327,885	5	$1,278,434	444	76,965	$2,465,111
Total	$1,543,425,359	$1,321,475,115	$221,080,934	472	$1,442,034,776	411	$1,304,149,063	389	$1,269,181,043	64	$73,491,188	8,039	1,393,411	$40,767,242
Puerto Rico														
Highway Infrastructure Investment	$105,000,000	$78,356,339	$1,791,502	15	$78,356,339	6	$17,043,964	5	$16,629,589	0	$0	176	30,585	$317,074
Transit Capital Assistance	$57,102,729	$39,259,030	$0	7	$32,150,314	3	$22,666,449	2	$236,329	0	$0	2	280	$2,140
Total	$162,102,729	$117,615,369	$1,791,502	22	$110,506,653	9	$39,710,413	7	$16,865,918	0	$0	178	30,865	$319,214
Rhode Island														
Clean Water State Revolving Fund	$26,314,596	$26,314,600	$782,124	11	$24,063,446	5	$18,253,609	5	$18,253,609	0	$0	136	23,609	unavailable
Fixed Guideway	$63,943	$460,000	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$137,095,725	$125,477,434	$33,197,177	46	$106,866,619	42	$99,338,057	42	$99,338,057	12	$15,592,421	1,154	200,058	$5,586,984
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	$177,158,034	$33,979,301	61	$155,836,065	48	$119,691,666	48	$119,691,666	12	$15,592,421	1,290	223,667	$5,586,984
South Carolina														
Clean Water State Revolving Fund	$40,148,163	$15,869,835	$0	17	$31,107,000	7	$15,869,835	7	$15,869,835	0	$0	0	0	$0
Highway Infrastructure Investment	$463,081,483	$337,099,702	$28,313,194	111	$337,038,340	93	$255,281,202	56	$177,200,000	8	$5,783,042	1,699	294,425	$5,885,925
Transit Capital Assistance	$28,504,202	$21,003,017	$2,118,303	18	$12,251,941	17	$12,037,111	19	$10,268,885	0	$1,528,892	48	8,292	$142,905
Total	$531,733,848	$373,972,554	$30,431,497	146	$380,397,281	117	$283,188,148	82	$203,338,720	8	$7,311,934	1,747	302,717	$6,028,830
South Dakota														
Clean Water State Revolving Fund	$19,239,066	$19,239,100	$903,939	7	$3,308,357	7	$3,308,357	7	$3,308,357	0	$0	8	1,313	unavailable
Highway Infrastructure Investment	$183,027,359	$120,534,437	$74,172,921	21	$109,148,497	17	$92,970,303	17	$92,970,303	0	$0	1,922	333,210	$7,251,567
Transit Capital Assistance	$7,372,825	$6,642,706	$3,280,584	34	$3,151,380	34	$3,151,380	34	$3,151,380	25	$1,655,582	32	5,604	$107,476
Total	$209,639,250	$146,416,243	$78,357,444	62	$115,608,234	58	$99,430,040	58	$99,430,040	25	$1,655,582	1,962	340,127	$7,359,043
Tennessee														
Clean Water State Revolving Fund	$56,930,445	$54,653,185	$0	1	$6,250,000	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	$498,577,058	$154,612,189	244	$490,196,757	233	$477,463,321	228	$473,537,857	0	$0	6,520	1,130,183	$21,377,054
Transit Capital Assistance	$73,716,802	$60,239,981	$2,017,635	55	$43,689,439	50	$38,123,945	46	$33,629,520	1	$75,890	15	2,528	$103,848
Total	$703,376,330	$613,498,264	$156,629,824	300	$540,136,196	283	$515,587,266	274	$507,167,377	1	$75,890	6,535	1,132,711	$21,480,902
Texas														
Clean Water State Revolving Fund	$179,122,284	$7,164,876	$0	11	$84,625,492	1	$7,164,876	1	$7,164,876	0	$0	0	0	$0
Fixed Guideway	$2,609,607	$2,609,607	$279,078	1	$300,940	1	$300,940	1	$300,940	0	$0	33	5,640	$225,500
Highway Infrastructure Investment	$2,250,015,146	$1,439,548,533	$161,517,534	434	$1,492,915,906	389	$1,044,938,964	335	$751,917,676	39	$23,719,427	7,937	1,375,761	$30,315,529
Transit Capital Assistance	$365,938,078	$351,288,168	$116,629,716	176	$268,920,667	170	$238,105,893	158	$255,806,182	74	$49,639,393	9,102	1,577,640	$51,928,039
Total	$2,797,685,115	$1,800,611,184	$278,426,328	622	$1,846,763,005	561	$1,290,510,673	495	$1,015,189,674	113	$73,358,820	17,072	2,959,041	$82,469,068

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Utah														
Clean Water State Revolving Fund	$20,650,014	$9,918,098	$2,015,943	6	$10,292,488	3	$8,220,788	3	$8,220,788	0	$0	19	3,289	$133,584
Highway Infrastructure Investment	$213,545,653	$208,490,133	$105,555,415	96	$208,490,133	94	$196,760,460	94	$196,760,460	41	$67,605,054	2,878	498,815	$11,805,967
Transit Capital Assistance	$55,586,841	$48,811,555	$18,781,394	3	$7,154,708	10	$45,045,144	8	$45,045,144	2	$15,065,570	1,593	276,117	$6,248,602
Total	$289,782,508	$267,219,786	$126,352,752	105	$225,927,329	107	$250,026,392	105	$250,026,392	43	$82,670,624	4,490	778,221	$18,188,153
Vermont														
Clean Water State Revolving Fund	$19,239,066	$864,655	$185,201	28	$10,186,625	25	$9,322,625	25	$9,322,625	0	$0	23	3,968	$148,142
Highway Infrastructure Investment	$125,791,291	$103,415,724	$53,728,689	34	$96,231,734	33	$93,804,405	32	$84,215,679	17	$36,113,975	1,843	319,515	$7,437,781
Transit Capital Assistance	$5,680,572	$5,680,572	$0	11	$3,598,417	10	$3,232,633	8	$1,490,909	0	$0	0	0	$0
Total	$150,710,929	$109,960,951	$53,913,890	73	$110,016,776	68	$106,359,663	65	$95,029,213	17	$36,113,975	1,866	323,483	$7,585,923
Virginia														
Clean Water State Revolving Fund	$80,203,266	$80,203,300	$665,786	35	$77,720,311	24	$51,988,479	12	$32,094,551	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	24	4,108	$195,894
Highway Infrastructure Investment	$694,460,823	$296,748,732	$27,917,752	39	$326,008,631	37	$249,001,376	19	$120,095,791	3	$9,302,784	1,102	190,984	$3,520,545
Transit Capital Assistance	$68,357,834	$55,153,488	$3,692,569	55	$40,816,579	42	$35,068,178	29	$33,627,128	2	$1,305,399	1,139	197,403	$4,522,074
Total	$847,231,309	$432,542,668	$32,713,255	130	$444,982,669	104	$336,495,181	61	$186,254,618	6	$11,045,331	2,265	392,495	$8,238,513
Virgin Islands														
Clean Water State Revolving Fund	$2,060,000	$1,962,700	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure Investment	$18,000,000	$10,608,198	$47,649	4	$17,608,198	2	$8,578,393	2	$8,578,393	0	$0	11	1,936	$32,113
Transit Capital Assistance	$1,284,112	$1,284,112	$1,788	5	$1,134,112	0	$0	0	$0	0	$0	0	0	$0
Total	$21,344,112	$13,855,010	$49,437	9	$18,742,310	2	$8,578,393	2	$8,578,393	0	$0	11	1,936	$32,113
Washington														
Clean Water State Revolving Fund	$68,152,095	$22,974,618	$0	1	$22,974,618	1	$22,974,618	1	$22,974,618	0	$0	0	0	$0
Fixed Guideway	$6,699,276	$3,456,735	$1,174,413	1	$1,174,413	1	$1,174,413	5	$1,174,413	1	$1,174,413	37	6,386	$192,818
Highway Infrastructure Investment	$492,242,337	$368,466,591	$81,672,983	170	$354,715,384	167	$313,960,222	151	$269,983,668	68	$68,461,098	6,033	1,045,784	$39,205,489
Transit Capital Assistance	$168,681,185	$168,681,185	$48,873,931	74	$118,283,285	47	$135,260,196	68	$86,318,487	9	$43,111,923	5,509	954,953	$30,433,397
Total	$735,774,893	$563,579,129	$131,721,327	246	$497,147,700	216	$473,369,449	225	$380,451,186	78	$112,747,434	11,579	2,007,123	$69,831,704
West Virginia														
Clean Water State Revolving Fund	$61,092,108	$29,586,709	$5,586,830	38	$61,092,100	18	$29,586,709	18	$29,586,709	0	$0	337	58,373	$2,726,495
Fixed Guideway	$309,339	$309,339	$0	1	$309,339	1	$309,339	1	$309,339	0	$0	60	10,424	$272,805
Highway Infrastructure Investment	$210,852,204	$182,941,000	$56,000,835	108	$194,657,000	102	$170,568,000	89	$165,197,000	35	$36,235,000	1,223	212,061	$6,062,188
Transit Capital Assistance	$18,366,136	$13,935,378	$3,587,233	64	$9,323,385	84	$9,805,705	78	$7,865,687	25	$2,946,423	54	9,407	$152,477
Total	$290,619,787	$226,772,426	$65,174,898	211	$265,381,824	205	$210,269,753	186	$202,958,735	60	$39,181,423	1,674	290,265	$9,213,965
Wisconsin														
Clean Water State Revolving Fund	$105,948,315	$2,200,000	$745,972	50	$102,323,895	50	$102,323,895	38	$95,306,138	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	$358,171,583	$148,230,174	221	$358,171,583	220	$357,875,623	218	$357,624,633	26	$25,793,717	4,181	724,771	$19,684,115
Transit Capital Assistance	$79,249,652	$35,619,488	$11,555,770	30	$42,170,510	22	$38,512,510	13	$27,701,602	1	$105,000	0	0	$0
Total	$714,553,114	$395,991,071	$160,531,916	302	$502,909,220	293	$498,955,260	269	$480,632,373	27	$25,898,717	4,181	724,771	$19,684,115
Wyoming														
Clean Water State Revolving Fund	$19,239,066	$19,239,100	$0	19	$17,298,605	4	$3,065,528	3	$1,384,312	0	$0	82	14,210	$1,007,107
Highway Infrastructure Investment	$157,616,058	$157,616,058	$66,136,003	64	$156,316,058	62	$155,966,056	61	$155,661,085	9	$16,290,725	1,961	339,850	$7,129,933
Transit Capital Assistance	$9,300,399	$5,600,495	$749,047	15	$3,991,845	16	$4,747,345	15	$3,991,845	2	$9,214	37	6,457	$249,921
Total	$186,155,523	$182,455,653	$66,885,050	98	$177,606,508	82	$163,778,931	79	$161,037,242	11	$16,299,939	2,080	360,517	$8,38[illegible],961

*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 October 31, 2009)

Percentage of Allocated Funds Associated with Project Stages

Highways and Bridges

	Out to Bid	Under Contract	Underway	Average*	Average Rank
Maine	100.0%	100.0%	100.0%	100.0%	1
Wyoming	99.2%	99.0%	98.8%	98.9%	2
Utah	97.6%	92.1%	92.1%	93.5%	3
New Hampshire	93.6%	92.7%	92.3%	92.8%	4
Iowa	92.1%	90.2%	87.6%	89.4%	5
Pennsylvania	93.8%	86.0%	85.9%	87.9%	6
Oklahoma	87.5%	87.3%	81.8%	84.6%	7
Tennessee	85.6%	83.4%	82.7%	83.6%	8
West Virginia	92.3%	80.9%	78.3%	82.5%	9
Mississippi	82.4%	80.3%	70.4%	75.9%	10
Rhode Island	78.0%	72.5%	72.5%	73.8%	11
Alabama	74.8%	74.8%	70.7%	72.8%	12
Illinois	90.9%	71.1%	62.0%	71.5%	13
Vermont	76.5%	74.6%	66.9%	71.2%	14
Kentucky	81.6%	67.8%	66.8%	70.8%	15
New Jersey	74.5%	69.4%	66.3%	69.1%	16
Minnesota	75.0%	68.5%	66.0%	68.9%	17
Wisconsin	67.7%	67.6%	67.6%	67.6%	18
Connecticut	67.5%	65.7%	65.1%	65.9%	19
Kansas	74.1%	64.7%	61.0%	65.2%	20
Idaho	86.5%	55.0%	55.0%	62.9%	21
Colorado	69.7%	60.5%	59.7%	62.4%	22
Montana	73.4%	61.4%	56.2%	61.8%	23
Michigan	82.7%	58.3%	53.0%	61.8%	24
Missouri	63.4%	61.3%	61.0%	61.7%	25
Washington	72.1%	63.8%	54.8%	61.4%	26
New Mexico	65.1%	59.0%	59.0%	60.5%	27
Maryland	66.2%	59.5%	57.5%	60.2%	28
Nebraska	68.7%	56.6%	56.4%	59.5%	29
New York	67.5%	56.0%	55.6%	58.6%	30
Florida	95.3%	62.6%	38.0%	58.5%	31
Indiana	61.7%	56.4%	56.4%	57.7%	32
Georgia	73.9%	55.5%	49.2%	56.9%	33
North Carolina	65.0%	59.2%	49.8%	56.0%	34
Alaska	59.6%	51.8%	51.8%	53.7%	35
Oregon	53.1%	53.1%	52.8%	53.0%	36
South Dakota	59.6%	50.8%	50.8%	53.0%	37
North Dakota	59.9%	50.7%	49.7%	52.5%	38
California	73.1%	45.4%	45.4%	52.4%	39
District of Columbia	86.6%	75.4%	22.3%	51.7%	40
South Carolina	72.8%	55.1%	38.3%	51.1%	41
Louisiana	56.6%	52.9%	44.0%	49.4%	42
Delaware	49.0%	43.6%	43.4%	44.9%	43
Texas	66.4%	46.4%	33.4%	44.9%	44
Ohio	50.8%	42.2%	42.2%	44.3%	45
Arkansas	45.2%	45.2%	41.6%	43.4%	46
Arizona	42.9%	39.7%	38.1%	39.7%	47
Nevada	47.9%	36.0%	30.9%	36.4%	48
Massachusetts	58.6%	26.0%	26.0%	34.2%	49
Hawaii	51.2%	27.7%	23.5%	31.5%	50
Virginia	46.9%	35.9%	17.3%	29.3%	51
National	72.2%	59.2%	53.7%	59.7%	

* 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.

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 October 31, 2009)

Percentage of Allocated Funds Associated with Project Stages
Clean Water State Revolving Fund

	Out to Bid	Under Contract	Underway	Average*	Average Rank
Minnesota	96.5%	96.5%	96.5%	96.5%	1
Wisconsin	96.6%	96.6%	90.0%	93.3%	2
Colorado	90.2%	90.2%	90.2%	90.2%	3
Arizona	88.8%	88.8%	83.8%	86.3%	4
Maine	86.8%	86.8%	83.4%	85.1%	5
Florida	91.2%	81.1%	75.5%	80.9%	6
Rhode Island	91.4%	69.4%	69.4%	74.9%	7
California	83.3%	82.3%	64.7%	73.8%	8
Pennsylvania	99.7%	73.2%	58.0%	72.2%	9
Montana	93.7%	70.6%	57.0%	69.6%	10
Connecticut	76.0%	59.7%	59.7%	63.8%	11
West Virginia	100.0%	48.4%	48.4%	61.3%	12
North Carolina	67.3%	58.0%	58.0%	60.4%	13
Virginia	96.9%	64.8%	40.0%	60.4%	14
Oregon	80.3%	44.2%	44.2%	53.2%	15
North Dakota	52.5%	52.5%	49.4%	50.9%	16
Michigan	100.0%	36.1%	33.4%	50.7%	17
Vermont	52.9%	48.5%	48.5%	49.6%	18
South Carolina	77.5%	39.5%	39.5%	49.0%	19
Nebraska	48.9%	43.0%	43.0%	44.5%	20
Illinois	88.3%	48.1%	19.8%	44.0%	21
Utah	49.8%	39.8%	39.8%	42.3%	22
Indiana	61.0%	37.4%	32.6%	40.9%	23
New Jersey	97.8%	19.0%	17.4%	37.9%	24
Alabama	54.4%	31.4%	31.4%	37.2%	25
Iowa	49.1%	33.7%	26.8%	34.1%	26
Maryland	81.8%	18.2%	18.2%	34.1%	27
Washington	33.7%	33.7%	33.7%	33.7%	28
New Hampshire	67.8%	22.2%	22.2%	33.6%	29
Hawaii	100.0%	32.0%	0.0%	33.0%	30
New Mexico	32.1%	32.1%	32.1%	32.1%	31
Georgia	63.5%	62.9%	0.0%	31.6%	32
Oklahoma	54.8%	27.0%	20.0%	30.4%	33
Delaware	34.2%	34.2%	26.4%	30.3%	34
Wyoming	89.9%	15.9%	7.2%	30.1%	35
Alaska	59.5%	22.6%	18.9%	29.9%	36
Louisiana	100.0%	0.0%	0.0%	25.0%	37
Mississippi	98.8%	0.0%	0.0%	24.7%	38
Arkansas	82.1%	8.2%	0.0%	22.6%	39
Ohio	36.6%	15.9%	13.0%	19.6%	40
Nevada	62.1%	5.2%	5.2%	19.4%	41
Massachusetts	45.6%	10.1%	10.1%	19.0%	42
South Dakota	17.2%	17.2%	17.2%	17.2%	43
Idaho	16.4%	16.4%	16.4%	16.4%	44
Texas	47.2%	4.0%	4.0%	14.8%	45
Kentucky	30.9%	8.9%	8.9%	14.4%	46
New York	28.3%	9.4%	8.9%	13.9%	47
Kansas	22.3%	5.1%	5.1%	9.4%	48
Missouri	14.6%	6.0%	3.2%	6.7%	49
District of Columbia	23.6%	0.0%	0.0%	5.9%	50
Tennessee	11.0%	0.0%	0.0%	2.7%	51
National	65.8%	38.5%	31.7%	41.9%	

* 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: PROGRESS REPORT FOR TRANSPORTATION INFRASTRUCTURE INVESTMENT

Thursday, December 10, 2009

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

The Committee met, pursuant to call, at 10:11 a.m., in Room 2167, Rayburn House Office Building, Hon. James Oberstar [Chairman of the Committee] presiding.

Mr. OBERSTAR. Good morning. Welcome to the Committee on Transportation and Infrastructure. I apologize for the little delay. We were having a consultation of sorts with Mr. Duncan, a conversation about various and sundry things relating to the wellbeing of the U.S. House of Representatives.

This is the fifth in the series of oversight and accountability hearings that we are conducting, as promised, in Full Committee, and at least three, four other hearings held by various Subcommittees on the progress and work of the Recovery Act portions that are under the jurisdiction of this committee.

As we will see in the course of this morning's presentation, there are 7,900 highway transit projectsunderway, have broken ground, have people working; hundreds of thousands off the unemployment rolls onto the payrolls and paying their taxes and paying their mortgage and getting their health insurance reinstated and sending their kids to school.

As I said in a burst of enthusiasm at a groundbreaking project in New Mexico, these are the good jobs with the good wages in society that enable the workers to pay the mortgage, send the kids through school, put food on the table, and buy the snowmobiles. Then there is a silence in the crowd. I said, Oh, I guess you are not into snowmobiles out here in Las Cruces, New Mexico. Sorry, I got carried away. How about ATVs? We use those, too, in Minnesota.

Today, there is a new feature of our report, a compilation that I have been anxiously awaiting, roads and miles of roads and numbers of bridges. Nationally, new construction, pavement improvements, pavement widening, traffic safety management, and the transportation enhancements have added up to 27,756.6 miles of road improvement. That is more than all the States do in any given year, in 11 months. And 1,272 bridge improvements, bridge replacements, new bridge construction. In addition, of the 11,746 highway and bridge contractors in the U.S., 87 percent are small businesses. They have less than fifty employees. Ninety-three percent have less than a hundred. So 11,000 contractors that have a hundred or less than a hundred employees, and they are underway with this stimulus program as well.

Beyond those funds that we will hear about today, beyond the Recovery Act, AASHTO, the American Association of State Highway and Transportation Officials, and the American Public Transit Association, have identified $62 billion of projects that are ready to go to construction within the next 4 or 5 months; projects they can have under contract and underway because of the streamlining, because of moving these projects faster than ever before, because they know how the process works now and they are ready to go with phase 2 stimulus.

I scheduled this, as the other hearings, to receive input from Federal, State, and local transportation personnel who are on the front lines in implementing the programs that we have authorized under the Recovery Act. Today, we are also going to hear from a supply chain sector leader whose company has been able to keep workers employed because of these recovery dollars. You don't just build a highway. You need the sand and gravel, you need the asphalt, you need the cement that is folded in to make ready mix, and you need rebar and I-beams and you need fencing and fence posts. You need all of that. All those create jobs as well.

I don't know about the rest of stimulus. I speak not for the tax cut that went out, I speak not for thebroadband and the Internet and all the rest of those things. I know what we are accounting for, and there are real jobs, real people at work, payrolls being met, people taken off unemployment compensation, people getting their health insurance reinstated. In the case of those operating engineers who typically have a contract that requires 1,200 hours of work, they are getting their 1,200 hours, they are getting their health insurance reinstated, they are paying their mortgages, they are staying in their homes, they are sending their kid to summer camp and to school.

10,329 highway and transit projects are out to bid, totaling $24.5, 71 percent of the available formula funds. 8,871 highway and transit projects, $20.2 billion, 59 percent are under contract, and work has begun on 7,086 projects. These graphs show the results.

When you add up what we are reporting on today, as of November 1, we have payroll expenditures of $1.1 billion, $179 million in unemployment compensation checks avoided, and $230 million paid in direct Federal taxes. When you add up also the supply chain and the steel, sand, and gravel, as I said a moment ago, and asphalt and manufactured equipment, new buses and those who are building D4 cats and front-end loaders and the rest of the heavy highway construction equipment, that is 630,000 jobs; nearly 1,300 bridge improvements; 28,000 miles, nearly, of highway improvements. When you add in the Clean Water Act, the GSA with its Federal building responsibilities, when you add in work the Corps of Engineers is doing, the shipyards under MARAD, the Coast Guard bridge replacements that have been completed, that is 14,564 projects under our Committee jurisdiction, totaling $44.7 billion, 70 percent of the funds, as of November 20. In addition, State and other agencies have obligated $37.8 billion.

So we are seeing work underway, people at work, jobs created, and remember that in December, 2007, there were 780,000 construction workers nationwide out of a job, sitting on a bench. Mr. Shuster and I moved the TEA-21 bill. We created a special account of $10 million for training of apprentices in the construction trades, knowing that there is going to be a surge of jobs. In the first 5 years of TEA-21, 3 million net new construction jobs were created nationwide because of that program. We need to follow on a 6-year program to do exactly the same thing, only more. We can create 6 million jobs with a $450 billion program compared to the $218 billion we had in TEA-21, which was a 40 percent increase over previous funding.

Again, transportation investment creates jobs and permanent improvements and benefit the lives of our fellow citizens and improves commerce and moves goods more efficiently through our cities and rural areas into urban centers. We will hear more in detail from our upcoming witnesses.

Mr. Duncan.

Mr. DUNCAN. Thank you very much, Mr. Chairman, and thank you for your great leadership on this committee. I think the model of the way we should do infrastructure projects in this country was the Minneapolis bridge replacement project in Minnesota, under your leadership, which was done under expedited procedures. All of us who serve on this Committee believe very strongly in the work of this committee. In fact, in my first 6 years in the Congress I had two different offers to move to two different very important committees, but I chose to stay on this committee. And I have always been happy with that decision because I believe in what this Committee does, and I know that all of us on both sides believe a lot more work needs to be done on our roads and bridges, on our aviation system, on ourwastewater and clean water systems, at our ports and on our railroads and so forth, all the things that we handle in this committee.

Of course, we do have an obligation to make sure that the money that flows through this committee, which is a very large amount, is spent in the most economic and efficient way possible. I think all of us were disappointed in the original stimulus bill, that of that $787 billion, which was sold to the country as being an infrastructure bill, that only about 8 percent went for actual infrastructure and according to the figures I have been given by the staff, the Department of Transportation got $48 billion of that.

Mr. Mica, for whom I am sitting in today, he is at the funeral of former Senator Paula Hawkins, for whom he was Chief of Staff for a few years. He has asked me to say or point out that only 13 percent of that money has been paid out thus far. But I do think that there are many good things that have been done with the portion that is going for infrastructure, and I think that almost everybody or hopefully everybody on this Committee wants to see a major highway bill sooner rather than later and we want to see this money spent properly.

Just yesterday, Senators McCain and Coburn came out with a list of hundreds of stimulus projects. I don't think many of them were transportation projects, but money that was being spent, many billions, in just ridiculous ways. I don't think anybody in the country or very many people support most of the things or a lot of the things that were shown in their report.

We do want to work on these things. And when I said at the beginning of my remarks commending the Chairman and others on the Minneapolis bridge project, the thing that has disturbed me the most in my years on this Committee is the delay and the cost overruns that occur because of all the rules and regulations and red tape, so much so that we had a hearing one time a few years ago and they said the main runway at the Atlanta airport, the newest runway, took 14 years from conception to completion. It only took 99 construction days. And they were so happy and relieved to finally get all the approvals that they did that in 33 24-hour days.

We had a hearing a couple of years ago on the Highways and Transit Subcommittee, I forget whether it was a 9-mile or 12-mile project in southern California, road project, took 17 years from conception to completion. And almost all of these years added on to these projects are due to the environmental rules and regulations and red tape.

We have tried to, but I think we need to do much more in getting environmental streamlining into these projects because when the average road project takes 10 to 12 years and these things are taking about three or four times as long as any other developed nation, it runs up the costs tremendously and also it makes it harder for us to compete in the global market that we have before us today.

With that, I will yield back. I won't be able to stay as long because I didn't know that I was going to have to sit in. I have got some other appointments. But I will stay as long as I can.

Thank very much, Mr. Chairman.

Mr. OBERSTAR. We will enjoy your presence as long as you can remain with us. Thank you very much for your leadership, your chairmanship of the Aviation Subcommittee several years ago, and for your vigilance. It was during your tenure where we moved legislative language to expedite aviation projects. You and I worked together on that question. And airport runway projects have been speeded up since then. In the current SAFETEA legislation we had a further expediting, permit expediting provision that States have used and now have some experience. And we have a much expanded Office of Project Expediting in the Federal Highway Administration in our bill reported from Subcommittee. If we can ever get the administration to come on board and the Senate to move along, we could have had that bill passed already this year, in the House at any rate. I thank the gentleman for his participation.

Mr. DUNCAN. Well, you also helped me, Mr. Chairman, on much of the work on the Public Buildings and Grounds on some of those major projects and also when I chaired the Water Resources Subcommittee. So I do greatly admire and respect you and I appreciate your leadership. We just need to keep trying to do more and do better.

Mr. OBERSTAR. Exactly. I completely agree with you about the delays. We have a 30-year bridge in Minnesota that hasn't been built. Let me amend that. It was 27. When we started with it, it was $30 million. Now it would be $300 million if we ever get it built. That is why we need project expediting.

By the way, on public buildings and courthouses, in the San Diego courthouse, because of what you started and we started together, we saved taxpayers $160 million. And we have a new courthouse and judges are going to do courtroom sharing. That is the kind of thing we ought to be doing. So we proved that—States have proved to us and AASHTO and State DOTs have demonstrated given the money, given the right circumstances, they can get these projects out the door, on the roadway, people working, without the delays that we have experienced in the past, and we are going to apply these lessons to the future of transportation.

I announced earlier or at the previous hearing that to expedite things and because we are likely to have votes on the rule in an hour, I will ask Subcommittee Chairs for 2-minute statements, if they wish to do so.

Ms. Norton. You have been very vigorous in holding hearings in your jurisdictional area, as has Ms. Johnson.

Ms. NORTON. Yes, Mr. Chairman. With only brief remarks, we have had four tracking hearings. We are going to have a fifth hearing, a joint hearing with Ways and Means on a new, complex Social Security center that we are building with stimulus funding.

I am very proud of what this Committee has done. What we are showing in jobs for this country basically comes out of this committee. I am pleased that my own jurisdiction, which ranked very low because it doesn't have the fully staffed Department of Transportation, but contracts out, so it ranked very low, and it has shot up to 40th.

But I am proud of them as well, Mr. Chairman, because you went with me to Murch Elementary School just last month when the city got a national award for safe schools routes. The Chairman was there. The children and the teachers could not have been more thrilled to have the full Chairman of the Committee come. That project is emblematic of the kinds of things the District has been doing. Instead of simply laying some concrete with the most shovel-ready projects, what they have done are things like safe routes and bike trails that are slightly more complicated because you have to take into account more factors. I am pleased that they don't have the staff DOT that States do; they contract out most stuff. They have speeded up.

I am particularly pleased that what I understand from the Department of Transportation is that the training fund you spoke about had indeed been allocated. This is the next generation of construction workers. Construction workers are like everybody else, they age out, they retire, and many of them have done so, creating shortages in the skilled crafts.

So I very much appreciate what your Committee has done and what our own Committee has done on training funds with the money allocated to us for that purpose.

Thank you, Mr. Chairman, for this very important hearing.

Mr. OBERSTAR. Thank you very much. On EDA, the Economic Development Administration has awarded 68 grants, $147 million, 100 percent of their funds, projects which most of them are completed already.

Ms. Johnson, Chair of the Water Resources Subcommittee.

Ms. JOHNSON OF TEXAS. Thank you very much, Mr. Chairman. We had circumstances that changed in certain projects that we had going just after we planned the Recovery Act, and we are still trying to get some attention given to the new standard for the levees in Dallas. The biggest problem we have had is the way the funds have been distributed. Our major cities are complaining, but many of the rural areas have been waiting for a number of years, and they were ready to go.

We have a long ways to go to satisfy many of thestakeholders, but we think we have gotten it pretty much back on track.

Thank you. However, I must say, with the water portion of the bill and the revolving fund, it has not done anything yet. So we need to push that a little bit.

Mr. OBERSTAR. EPA, unfortunately, had a very slow start, but they now have 1,269 State Revolving Loan Fund projects out, totaling $2.6 billion. That is two-thirds of the funds. And 723 projects are under contract. They had problems early on administering the Buy America language, but I think they have got that straightened out now and there are three different categories of exceptions for Buy America, and they have all been worked out to the satisfaction of State agencies.

We are going to begin with Mr. Porcari. Thank you very much, Mr. Secretary, for being with us, for your previous service on the front line, transportation in the State of Maryland. It is my pleasure to work with you over many years. You bring a great level of expertise and history and understanding to the task at USDOT. So we welcome your comments.

TESTIMONY OF THE HON. JOHN D. PORCARI, DEPUTY SECRETARY, U.S. DEPARTMENT OF TRANSPORTATION

Mr. PORCARI. Thank you, Mr. Chairman and Congressman Duncan and Members of the Committee. It is my pleasure to be here today. I appreciate the opportunity to appear before you today to discuss the Department of Transportation's progress in implementing the American Recovery and Reinvestment Act of 2009.

We are now in the 43rd week of one of the most sweeping economic reform packages in U.S. history. DOT continues to make swift and substantial progress in getting projects out the door to revitalize transportation infrastructure and create good jobs for so many Americans hard hit by the recession. Today, I will provide an update on our progress and plans going forward.

As of last week, of the $48.1 billion allocated to us, DOT had obligated $31.8 billion on nearly 11,000 projects nationwide. More than 7,100 of these projects are already under way, or completed, and more of them are coming online every day. DOT outlays are also steadily increasing. In week 32 of the Recovery Act implementation, we reported 3.4 billion in outlays. Ten weeks later, the outlays continued to climb an average of $342 million each week, reaching $6.8 billion in our most recent reports. This is clearly good news, and we expect this trend to continue as larger projects come online.

Each of our operating administrations has achieved significant results worth noting. For example, the Federal Aviation Administration's funding has supported 355 airport projects, representing

$1.1 billion of projects. I would also like to particularly highlight the positive results we are seeing from the Recovery Act's exemption to the Alternative Minimum Tax. Fifty-seven transactions, representing about $7.3 billion in airport bonds, have been sold at 33 different airports because of the AMT. This provision is helping us leverage our funding to get more Recovery Act resources.

The Federal Highway Administration has authorized more than $21 billion in funding for nearly 9,500 projects, representing 79 percent of the total funds provided to the States.

On the transit side, to date the Federal Transit Administration has awarded nearly 700 grants, totaling $7.2 billion. An additional $500 million of projects is in the pipeline.

All the work created by the Recovery Act is making real and tangible difference in the lives of many Americans. I would like to share just one example. Keith Kist of Cleveland, Ohio, is an experienced highway construction worker who was laid off during the recession. Today, Keith is back at work full time on a series of Recovery funded airport improvement projects in Cleveland that will keep him employed for quite a while. He is confident that more good Recovery jobs are out there for others in his local construction union as well.

Looking ahead, DOT is pressing forward on the new initiatives included in the Recovery Act. We are preparing to award $8 billion to jump-start high-speed passenger rail service in America. In response to this groundbreaking opportunity, Secretary LaHood announced last week more than 30 domestic and foreign manufacturing firms have committed to establish or expand the manufacturing of parts, supplies, and equipment right here in the United States if they are selected by the States receiving these funds.

We are clearly looking at the total jobs picture. This is a very significant achievement that will help to expand domestic assembly work and jump-start manufacturing in this country. We think it is a positive sign of things to come and a clear indication that the Recovery Act is working for America by creating jobs and investing in the new updated infrastructure that will help keep us competitive.

Our $1.5 billion discretionary Tiger Grant program is also moving forward. We have over 1,400 applications and we are currently conducting an intensive review process on each and every one of those. We are expected to announce the grant recipients in January, 2010, ahead of the February deadline.

DOT also participated in the first ever section 1512 job reporting effort that is required under the Recovery Act. Overall, our DOT recipients did an excellent job in responding to the stated request, with more than 96 percent of the recipients responding.

In addition to all the direct jobs created, the Recovery Act also has a ripple effect that is creating and preserving additional jobs in communities across the country. There is no question the Recovery Act is helping to revive our economy and support hardworking families. We will continue to obligate the remaining funds as quickly and responsibly as possible and ensure these critical resources are put to work improving our infrastructure and creating good jobs for many Americans. We are proud of our program.

Mr. Chairman, that concludes my testimony. I will be pleased to answer any questions.

Mr. OBERSTAR. Thank you for that splendid report, especially those personal stories that you included in your prepared statement. Mr. Keith Kist off the runway project in Cleveland, Sean Langois from Manchester, New Hampshire, on a Recovery road-widening project. I have one myself. I have many, but one that sticks out in my mind was last August, on Interstate 35 between North Branch and Rush City, not cities that jump to the mind of Members outside the State of Minnesota, but it is 28 miles; that is 7 miles on a four-lane interstate highway, completely resurfaced, rebuilt. Magnificent project.

I was first out at the sand and gravel pit to see the workers who have been called back to work in the gravel pit and providing aggregate for the highway project. The foreman called one of the trucks over to the side, those big, long belly dumpers that you see on highway construction projects. The driver shut off the engine, got out of the cab, jumped on the ground, and she threw her arms around me and said, Oh, you're Jim Oberstar. Thank you for my job. And I said, No, you thank the Congress, thank the President, everybody that voted on it.

But she said, A month ago my husband and I were sitting at the dinner table, the two boys had just gone to bed, and we were looking at each other, wondering where do we go from here. Our unemployment comp has run out. We don't have any health insurance. We have got 2 months savings left for the mortgage. Are we going to be able to send the boys to summer camp, as we have done in the past? And we just hugged each other and cried.

The next day, Ninth River Construction called and said, Report for work on Monday. This was a Wednesday. We won a Recovery Act bid for this project. She said, We are now getting a payroll check instead of an unemployment check. Of course, that ran out; the unemployment check ran out. They were making their payments on the mortgage. If we can get 1,200 hours on the job, we get our health insurance reinstated. And, yes, the boys went to summer camp.

That is the human face of recovery. That is the story. That is two of the workers, as you said, but there are now 230,000 of those on construction projects all across America. If we add up all the other programs under our Committee jurisdiction, we have 857,000 construction workers on the job, getting a payroll—not getting an unemployment check; getting a payroll check, paying for their own health insurance and paying taxes. That is the human face of recovery.

Now, as Ms. Duncan said earlier, our regret in this Committee is we didn't have $700 billion to use and to invest. It could have all been spent well, effectively, fast, and with these great results.

Mr. Duncan, do you have any comments?

Mr. DUNCAN. Well, thank you, Mr. Chairman. We still need a lot of work, because I believe when the stimulus was passed unemployment was 8 percent, and now it is at 10 percent. As even as popular as my area is, the Knoxville area is doing well, but I have got one county that has 18 percent unemployment and another one that has 14.5 percent unemployment. And Tennessee as a whole is at 10.5. So there are still a lot of people hurting out there, as you know.

I am going to yield, though, for questions to my Members first, and go to Mr. Coble because he was the first one here.

Mr. COBLE. I thank you, Mr. Duncan. Mr. Chairman, you and Mr. Duncan pretty well covered it in your opening statement.

Mr. Secretary, good to have you with us. Mr. Secretary, how State and other stimulus grant recipients report jobs has been somewhat controversial in the past few weeks. Does DOT have a standard by which they expect States and stimulus grant recipients to abide by when counting and reporting jobs?

Mr. PORCARI. The short answer is yes. They are reporting jobs to DOT. The section 1512 requirements in the Recovery Act are a separate reporting requirement that, quite frankly, was a little bit new to many of our recipients. Our highway recipients, State DOTs in particular, are very used to doing this. For transit and aviation, recipients, the 1512 reporting, which is direct jobs, was a somewhat different requirement, and had a bit of a learning curve.

With that, 96 percent of our recipients reported their numbers. The 45,000 direct-jobs created number for the transportation projects to date, if anything, is conservative, and it is one that we believe will be refined going forward with this quarterly reporting.

Mr. OBERSTAR. Will the gentleman yield? That is a very important point because the Vice President's office issued a Recovery Act report that was filled with computer errors. Garbage in, garbage out. We had 27 congressional districts in Minnesota to my great surprise. But the reporting process that the Department is using was initiated in this Committee from the county highway engineers of Minnesota, who use a thumb drive about the size of my thumb, one of those little things that you and I aren't very familiar with but those engineers on the jobs know. They report on the hours worked, the loads of sand and gravel brought to the job site, the cubic yards of concrete or asphalt poured, and they report that to MNDOT, and MNDOT is reporting directly to the Committee and we harmonized this reporting with Federal Highway Administration and U.S. DOT.

So this Committee initiated it and all the States are doing the same thing. They are all reporting using the same profile, same data, same computer base, and you can go into our Web site and find all the data that you have before us right now, that this Committee initiated.

Mr. COBLE. I thank the Chairman.

Mr. OBERSTAR. I wish the other portions of the stimulus had done the same thing. Our committee, we are holding their feet to the fire.

Mr. COBLE. I thank you for that, Mr. Chairman. If I may put another question.

The FRA is preparing to willing to award an $8 million appropriated amount in the stimulus bill for high-speed rail projects, and North Carolina is one of the States that have made the application. How does DOT see the high-speed rail program developing, and specifically do you anticipate that a significant portion of these funds will be used for true high-speed rail; that is to say, projects that will compete with air travel by providing 200-plus miles per hour?

Mr. PORCARI. The high-speed rail $8 billion is most likely to fund a mix of projects, including, sir, truehigh-speed rail. I would point out that the definitions of high-speed rail can differ. You typically don't start with 200-mile an hour service. You typically are starting with a dedicated right-of-way and high-speed service at 110 miles an hour or above, building to 200 miles or 175 miles an hour or whatever.

We are in the very beginning stages of trying to get to high-speed rail. Although we do anticipate that we will have true high-speed rail projects, they are not likely to be at 200 miles an hour right out of the box. You need to actually build toward that, just as the interstate system was built as a system and wasn't built in one round.

Mr. COBLE. When do you think that may come into realization, Mr. Secretary?

Mr. PORCARI. Different projects are at different levels of development. Some are fairly advanced in that they have the right-of-way, for example; may have some design work done. Others are a little further behind. I would point out that even at the 110-mile an hour definition of high-speed rail, that is a very significant advancement over what we have in the country, and we would anticipate that these projects would build up from there.

Mr. COBLE. I thank you for that. Mr. Duncan, I thank you for yielding. I yield back, Mr. Chairman.

Mr. OBERSTAR. Thank you, Mr. Coble.

Ms. Norton.

Ms. NORTON. Mr. Porcari, I sat in another hearing with another Committee on which I serve, a tough hearing, a Government Reform and Oversight hearing, in which we learned of some of the errors that were made. Frankly, I want to congratulate you and the Committee and the administration for doing what has never been done before. No one has ever tried to count jobs in process in real-time the way we are. And so it is a start-up process for us. You had to be shovel-ready, but you had to do something you have never done before, and mistakes were inevitable, but I hope we will continue to do it. And I congratulate all involved for attempting to do something that was risky but I think necessary to be done, even with the almost inevitable mistakes that would be made.

I am interested in the work of this Committee in a real sense because it is a centerpiece. We know from the data, indeed more than tax cuts, that transportation and infrastructure spending not only creates jobs itself but, importantly, wakes up other sectors. I wonder if you have any sense of the other sectors down the line which perhaps are not construction jobs. And we know that the impact there has been dramatic. Other sectors that have in fact come to life in greater measure because construction and transportation infrastructure has started that process.

Mr. PORCARI. It is a very good question, ma'am. As you point out, the 1512 reporting requirement is unprecedented in transparency. It is the right way to do it. It was a learning curve, particularly for some of our smaller partners. For example, High Point, North Carolina, where you have one person who is doing the grants administration, who is coding all this data, and has never been through all this before. We expect it will be much better the second time around with the next quarterly report.

But I would also point out that is the most conservative measure of jobs. Those are the direct jobs only. Typically, in economic development you are measuring direct, indirect, and induced jobs. We know from specific projects, we know from the feedback from our State and local partners, that that is certainly happening around the country, that in the most true sense transportation investments are an enabler for economic development.

It is just one example, if I may. As the Chairman mentioned earlier, when this bill was being considered and when it was passed, I was a State DOT Secretary, like my colleagues on the next panel. Knowing that we had to deliver projects and knowing how bad it was and people were hurting, we followed the progress of the bill every day. We met with the contractors and the contractors' associations. We gave them a timeframe for when the work packages were coming out, asked them not to lay off people in the meantime, told them what the contract packages were likely to be, and even awarded contracts conditionally so that literally when the bill was passed they could rehire workers or, more importantly, not lay them off.

I make that point because there has been some controversy over the ″jobs saved″ part of it. I can tell you from personal experience I know there were jobs saved because they knew the work was coming, they knew when it was coming, and they were clearly bidding the jobs just to make payroll.

The kinds of projects you see around the country, especially the ones that are focused in economically distressed areas, clearly have the potential for creating economic development and the ripple of jobs beyond the direct construction.

Ms. NORTON. With every construction project you have got suppliers, you have got design people, you have got all their office people. Somebody one day needs to do a chart that just shows how many people down the line come alive because of construction.

One further question on training. Would you tell me this; you got your training fund out, as I recall, fairly rapidly. How is your training being done with the amount of funds you have, which obviously aren't enough to cover every project and the need, how is that work being accomplished? Are you reaching groups that have been often excluded from the construction trades, like women and people of color?

Mr. PORCARI. Yes, we are. This is an important part, as you point out, to make sure there are opportunities in the future, and also, as the workforce ages, to provide the workers of the future. The on-the-job training and supportive services program from 1998 to 2009, first of all, has allocated over $65 million for this purpose. Within the Recovery Act, the $20 million that is specific to this, $8.2 million has been allocated to the States and the Bureau of Indian affairs in the first round. That is going directly toward the intended purpose of training for our historically underrepresented populations.

These are good-paying, family-supporting jobs. Having the kind of training that enables you to compete for these jobs is one of the missing elements. We think it has been very successful. We look forward to implementing the rest of that program. It is, I think, a guidepost for the future in many ways in making sure that we have trained, skilled workforce available.

Ms. NORTON. Thank you very much. Mr. Chairman, I have a bill, a larger highway bill that would in fact use this experience to make sure the training occurs when you have that big bulk of money coming out of here as well to carry on what you have already started.

Thank you, Mr. Chairman.

Mr. OBERSTAR. Thank you for raising that issue and for your response, Mr. Porcari. Those funds double what we have in current law in the SAFETEA legislation, plus provide an additional $20 million for bonding for minority business enterprises. And African American and Hispanic and women-owned enterprises have benefited from that provision in the bill, although only just under a million dollars has been allocated, because they have to request it. Those requests haven't been forthcoming.

Mr. Cao.

Mr. CAO. Thank you very much, Mr. Chairman. Mr. Secretary, I was looking at some of the labor charts concerning Louisiana, and I have noticed that on a number of these charts Louisiana is ranking pretty low. If you were to look at the chart concerning, for example, percentage of allocated funds associated with project stages, highways and bridges, Louisiana ranks 42nd.

Now can you clarify some of these numbers for me? How are these numbers being ranked and whether or not it is a Federal ranking or is it a State ranking or how are these numbers derived?

Mr. PORCARI. Sir, I think the chart that you are referring to is data generated by the Committee and it is the percentage of allocated funds associated with each State. I would point out that each State has a slightly different strategy for implementing the Recovery Act, depending on local needs and depending also on things like the mix of projects. Smaller, shorter term projects are typically already out the door. The larger projects are just coming online. And then other issues such as construction season, where that does apply.

I would also note that some of the States that even a few weeks ago we had some concerns about moving quickly, we have been working with, and they have, as we understand their strategy and their mix of projects, some of them have made considerable progress.

Mr. CAO. Could I ask you for specific numbers with respect to how much money has been allocated to Louisiana for highways, how much for air, how much for rail?

Mr. PORCARI. Yes, sir. For Louisiana, it is a total of $433 million. For the air portion, it is $18.5 million, the highway portion is $350 million, and the transit portion is $58 million. In addition to that, we have a small shipyard grant with the Maritime Administration for $5.5 million. I will be happy to provide that to you in chart form, if it helps.

Mr. CAO. Sure. I have noticed that there is a discrepancy between funds allocated and funds obligated. So, basically, under funds allocated, the DOT basically provides a certain amount of funding for this particular State. However, I guess you are obligating the money as the projects are coming in. Is that how it works?

Mr. PORCARI. It has been obligated as individual projects are identified and approved. If I could take that one step further, the difference between obligated projects and outlays is an important one because the obligations, I think, are the number we should all be looking at. That means the projects are committed to. In many cases, they are underway. The outlays lag because with our highway projects we work on a reimbursable basis.

We want the work to be done and done correctly before we pay for it. So just as you wouldn't—if you want to buy a new car, you pay for it when it is completed. Just as if you are building a house, you don't hand a check up front for the total cost. You make progress payments. That is the way our reimbursable process works. We make sure that the work is done correctly, then we reimburse the States for it. So it is an important distinction because the work is under way, the people are employed, but we are not turning over Federal dollars as a reimbursement until we know we have a project that everyone can be proud of.

Mr. CAO. So with respect to the States that are moving slowly, is Louisiana one of them?

Mr. PORCARI. I would characterize Louisiana as one of the States that we are continuing to work with. Again, they all have individual strategies and very different needs. Our modal administrators and the Secretary and the entire team have been very directly involved in making sure that States have a viable strategy and are working quickly to get these projects out the door. Again, our yardstick more than anything else is, is the work under way, are the people employed.

Mr. CAO. Mr. Chairman, I notice that I am out of time. Can you allow me just one more minute?

Mr. OBERSTAR. One more question.

Mr. CAO. One more question. Thank you very much. The Secretary was down in New Orleans I believe about 3 weeks ago and he made a commitment to light rail, I believe in the amount of—I can't remember the exact number—but the City of New Orleans has a lot of streetcar projects and things of the sort. How much of the money that was committed by the Secretary would go into light rail projects like street cars?

Mr. PORCARI. Sir, I don't know that number offhand. What I would be happy to do is get that information to you and report it back to the committee.

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

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[the information follows]

Funding of New Orleans light-rail projects:

(1) TIGER Grant: The New Orleans Streetcar - Union Passenger Terminal/Loyola Loop was selected to receive $45 million in ARRA TIGER funds.

(2) Light-rail (streetcar) projects in the Formula ARRA grant awarded to New Orleans include:

(a) Retrofit ONGO communication system for streetcars with PA systems with automated street announcements. ARRA funds provided to project: $147,620. Of the $147,620, $35,560 provided for ONGO communication system for the Riverfront Streetcar Line, and $112,060 went to the ONGO communication system for the Canal Streetcar Line.

(b) Install seven (7) kiosks at stations along the Riverfront Streetcar line in New Orleans. The kiosks will display route and schedule information to passengers. ARRA funds provided to project: $153,000.

(3) A Fixed Guideway ARRA grant funded two projects for the St. Charles Streetcar Line:

(a) Replacement of brake shoe holders on the St. Charles Streetcars. ARRA funds provided to project: $75,000.

(b) Installation of crossties on the St. Charles Streetcar Line. ARRA funds provided to project: $75,000.

Mr. OBERSTAR. Indeed, the St. Charles line in New Orleans is the oldest street car and the oldest light rail, as we call it today, transit project in America, begun in 1853.

Mr. CAO. It is one of the projects that serves as the heart and soul of the city. So we are hoping to have more projects like that.

Mr. OBERSTAR. And I would like to supplement Mr. Porcari's response, and that is all 50 DOT secretaries or commissioners were convened in Washington before the Recovery Act passed the House, and were counseled at our request, our Committee request, on what we expected of them; how we expected the projects to go out; what we intended by so-called shovel-ready, but projects ready to go through right-of-way acquisition, EIS-completed, final design and engineering. All they needed was the money to go to work and that we expected these projects to be under—in the House bill, to be under construction in 90 days or you lose the funds. That got watered down in conference to 120 days, obligated—it is a little different term from under contract—that is "obligated" as budget speak, but there was no excuse for any State DOT not to understand the purpose of this act. They have known it, they heard it from the Committee and Federal Highway Administration and from U.S. DOT, and the purpose of this accountability was to prod those who were laggers into taking action and getting themselves underway. And our monthly reports have had that effect. And to their great credit, the State DOTs have responded.

I am going to reverse the order, we are going to alternate between senior and junior Member. So we will go to the most junior Member, Mr. Garamendi.

Mr. GARAMENDI. That is an honor I had not expected, Mr. Chairman, but I do just want to compliment you.

Mr. OBERSTAR. You are the only one who sat down there, in that front row down on the end where the Chairman doesn't notice you. But I notice.

Mr. GARAMENDI. Once again, I thank you. And I really look forward to working with you. I want to compliment you on your work here and particularly the extraordinary effort that has been made to hold accountable the States, having less than 35 days ago, 30, 40 days ago now, been a State official. We know your lash has a sharp and heavy hit, but now that I am on this side, we have a different point of view.

I think the question that I would like to really raise here is about the issue of "obligated" versus money actually out and the shovels, and the other equipment actually working, and the men and women working on those. How do you account for that and is the money just obligated or is it actually—are people actually being employed in projects underway?

Mr. PORCARI. It is an important question because in this case, the term "obligation" means that there are projects identified and committed to; it also means projects underway, and there is a mix of that under the rubric of "obligated."

From a jobs perspective the important thing to realize is that "obligation" is the trigger when contractors are looking and saying, I am not going to lay off additional people, or I may need to rehire or hire additional people to fulfill that contract, or even compete for it. So the "obligation" trigger is really, in job retention and job creation terms, I think a very important milestone.

We have the great advantage in delivering these projects in the bill, working within our existing—for the most part our existing mechanisms where we have these existing relationships with the States. This is how projects work at the State level on a reimbursable basis. The States are used to it and the contractors are used to it.

So it is meant that the important part of this, getting projects underway, has happened very quickly. The outlays are a lagging indicator, because, as I mentioned before, we don't reimburse the States until the work is either done, in the case of smaller projects, or we are making progress payments in the case of larger projects. That protects the Federal interest here. It is the best of both worlds in that we have the work going on and we know that we are going to get a good product at the end. So you know, again, just like buying a car, you wait until you have a product and then you pay for that.

Mr. OBERSTAR. Would the gentleman yield? This is a very important point this is a reimbursement program. We have instituted the stimulus on the same basis as the regular surface transportation program. It is a reimbursement program. And the reimbursement is a lagging indicator. Jobs precede the budgetary effect. That is where Larry Summers is dead wrong; he just don't understand this. I don't know how many times I have to say it until he gets it.

Thank you.

Mr. GARAMENDI. Well, Mr. Chairman, maybe we can repeat that again. One of the issues that I know the States have, and certainly California does, is serious budget problems, so serious that the bonds that have been approved by the voters cannot be sold because we can't—because the State can't pay for those—the debt on the bonds.

In the short term, could this thing be flipped so that the Federal money might come first and then the State money following as the economy begins to improve? I know that is exactly opposite of what the Chairman just said, but if we want to move things very quickly, we have got billions of dollars, bonds available but not sold.

Mr. PORCARI. There is no easy way to do that, sir. It would be, I think very, in practical terms, very difficult to do that and get the projects we want. What we focused on is making sure the reimbursement process moves as quickly as possible.

We do daily reimbursement. So literally when there is a valid invoice in, we can approve that reimbursement that same day. From a cash flow point of view that helps the States as much as possible.

The other thing that I point out is the structure of the bill itself by providing 100 percent Federal money; and, again, having lived this as one of the State DOT secretaries. I know there are many, if not most States, that could not do these projects if they had to come up with a match. So I think the single biggest help we could be to the States was to have 100 percent Federal money to get the jobs and get the projects out there.

Mr. GARAMENDI. Mr. Chairman, I yield my time. And I thank you for the courtesy and the opportunity.

Mr. OBERSTAR. Mr. Shuster—Ms. Fallin.

Ms. FALLIN. Thank you, Mr. Chairman. And, Mr. Secretary, thank you for coming today. We appreciate your time and we appreciate the Chairman's work on this very important issue of building up our infrastructure, our Nation.

I had a couple of questions on the high-speed rail money and the TIGER Grants and how fast—I heard you say some of the money may come to the States in January, February. But how will you determine what the priorities will be throughout the Nation in individual States? I know in Oklahoma we applied for several TIGER Grants and we have some areas in Oklahoma, an area between Shawnee and Oklahoma City, where we have major companies that ship freight rail to Oklahoma City, but the track is so bad for freight that it is actually causing us huge time delays and job losses, and major manufacturers.

I guess my question is how will you determine as an administration what States get—what portions of money and what the priorities will be when you award those TIGER Grants in the high-speed rail.

Mr. PORCARI. First, for the TIGER Grants and the high-speed rail, we have moved up the timing so we are anticipating award of those projects—announcement of those projects at the end of January, which is about a month earlier than originally envisioned. We have a very intensive review process in both cases, for both TIGER and high-speed rail projects. These are discretionary grant programs. We are mindful of a number of factors, including geographic distribution.

We do want to make sure, and knowing what we know at this point I am very confident that we have far more meritorious projects in both cases than we will have funding for. There has been an overwhelming response for both of those.

We want to balance a number of things, including in the case of TIGER Grants, making sure that the kind of intermodal projects of regional and national significance that don't have a built-in home in our existing programs, aren't easily accommodated in those programs, are given strong consideration. The transportation network functions as a network and these intermodal connections are one of the weak spots, if you will. That is one important consideration.

On high-speed rail we need to make sure that we have projects that can both move ahead quickly but also that can be the nucleus of what will be a network and that, at least in the long term, are not just stand-alone projects that would have independent utility but are part of a larger network. That is an important consideration for both of those.

We have interdisciplinary review teams across the modal boundaries that are looking at the merits of those projects. I am highly encouraged by the review process so far, and we will work very hard to make sure that the strongest projects with the most merit that serve the country as well as possible are the awardees.

Ms. FALLIN. I appreciate your answer, Mr. Secretary. But as you move through this process, I hope that you will keep in mind States like mine and Oklahoma where we have a lot of rural areas and where transportation, and especially freight transportation through rail, is important; because, as you were talking about, looking at centers of economic activity that might lend to bigger States with bigger populations, with more transportation infrastructure than what a State like mine that is more rural would have. And while I may not be a center of hub activity economically, in some areas of my State I can tell you the one rail line that I mentioned, that it services many companies that have international connections, but it is in a rural area of Oklahoma that connects to our capital city.

And if that rail, which is almost unusual because of water problems with a river that runs along the sides of the roads, the train tracks and the sodding, I guess you would say, the soil around that track, if that rail goes down that cost a community 500 to 1,000 jobs.

So part of the purpose of our stimulus package is to create jobs and to save jobs. So just as you look at the priorities and look at where you will be spending that money, that I hope that you will not overlook some of the smaller States and rural areas that do actually have jobs and need this kind of money.

Mr. PORCARI. It is a very valid point. We are balancing all those things. It is a transportation network, and we tend to think about moving people sometimes more than goods. The economy doesn't work unless we move goods efficiently as well.

Ms. FALLIN. Thank you, Mr. Chairman, My time is up. Thank you very much.

Mr. OBERSTAR. Thank you for that point. One of the many strengths of our authorization bill is that it has a very specific designation of funding for rural areas and farm-to-market roads and freight corridors to connect urban to rural, rural to urban.

And also I should point out that in the base Recovery Act for highway and transit, the legislation directs, establishes a priority for funding for areas of highest unemployment, which are larger and rural areas. And we directed the Department to use the formula established by the Federal Economic Development Administration which rates county by county throughout the United States and establishes their own employment rate. And we do have a chart showing how those dollars have flowed, and they have gone to benefit rural areas and counties with highest unemployment rate.

We also had language in the House-passed bill that required DOT and State DOTs to allocate their funds equitably throughout the State, so the money would not all be concentrated in one geographic area. Unfortunately, that was diluted by the wisdom of the other body.

Ms. Johnson.

Ms. JOHNSON OF TEXAS. Thank you very much, Mr. Chairman.

Mr. Secretary, I would like to ask—the funds that were set aside or appropriated for highways were not designed, I guess, to get out very rapidly, because they use the same process. And we have that difficulty, not just with transportation in Texas, a State that does it the way they want to do it. Has that been a problem around the country or is it just unique to Texas?

Mr. PORCARI. In general, ma'am, the process actually has worked very well. If the yardstick you are using is are projects underway, are the jobs created or saved, some States have been more effective than others, and some States have been quicker out of the box. Those are typically the States that started with small, easy-to-bid, discrete projects. The States that had fewer but larger projects, some are in the $100, $200 and $300 million ranks for single projects, those have taken longer as you would expect. We are starting to see those come on line now.

There is no uniform approach among the States and it really reflects individual needs and priorities because, remember, what the States are working from, especially with the highway projects, are a very large needs list that has been long established, and they are working off the top of that list and sometimes moving around within that list based on how quickly they can get the projects out the door.

I think the final result has worked pretty well, because every State has met every time obligation in the bill for obligating funds. They have just picked different ways to do that.

Ms. JOHNSON OF TEXAS. Also with the stimulus fund, there have been a number of cars purchased. Has that made a great impact for employment?

Mr. PORCARI. Yes. Separately, the car allowance rebate system, what we all refer to as Cash for Clunkers, had a measurable positive effect on the gross domestic product. It clearly, if you ask dealers, manufacturers, consumers, made a difference exactly when it was needed. It was quite an interesting program on the administrative side because what we expected would take 3 months or longer, which is $1 billion worth of consumer activity, happened in 5 days. That is some indication of how important it was. The environmental benefits we got from it, the shot in the arm to the economy, I think was a home run. And with that, we are very happy to be wrapping up the program.

Ms. JOHNSON OF TEXAS. Thank you. I know you came down for one of the projects, which I thought was very appropriate. They had run out of money when they got to a small bridge, and they were able to complete it.

Thank you very much and thank you, Mr. Chairman.

Mr. OBERSTAR. Thank you. Mr. Diaz-Balart.

Mr. DIAZ-BALART. Thank you, Mr. Chairman. May I put the Chairman on the spot when you recognized the newest Member of the Committee and you said we had all been there. Wasn't it a couple of years ago since you have been in that front row?

Mr. OBERSTAR. Well, it was just a couple of years ago. And I remember Mr. Jones was Chairman of the Committee and he gave all of us new Members 1 minute to say something.

Mr. DIAZ-BALART. Just a few years ago.

Mr. OBERSTAR. Just a few years ago.

Mr. DIAZ-BALART. Thank you, Mr. Chairman.

Two statements, Mr. Secretary. Thank you for being here. Just to put something in your ear. The Florida legislature just finished a special session this week to deal with, frankly, an initiative that had kind of dropped the ball on dealing with rail and high-speed rail. And I just want to make sure that you are aware of that and that you don't disregard that very important step that was just taken by Florida, a State that was also invested heavily in multimodal centers, et cetera. So I just wanted to make sure you are aware of that.

Mr. PORCARI. I am, and thank you for bringing it up. We have been watching closely, and I appreciate the very positive step forward made by the legislature.

Mr. DIAZ-BALART. Thank you, Mr. Secretary.

Just a statement if I may, Mr. Chairman. I don't want to say I—or, more particularly, you, Mr. Chairman, and this committee—I told you so, we all told you so. And nobody was more aggressive than the Chairman, Chairman Oberstar and the Ranking Member on trying to really maximize funds for infrastructure, as opposed to other things. Infrastructure funding, as we see from this administration, that is what emphasizes the success of the stimulus.

Unfortunately, very little money went to infrastructure, and now we are seeing the results of where some of that money went. If the Chairman would have been listened to—and which is why he has had the support of this committee—I think we wouldn't be seeing all the scandals, Mr. Chairman, that we are seeing and we are reading every single day now that we are seeing, again not dealing with transportation, Mr. Secretary. Part of the reason is because there is a well-established system, and part of the reason I think is because of the oversight of this Committee through the leadership of this Chairman. But we have seen other places, frankly, hundreds of millions of dollars of waste.

Now we are seeing political consultants getting stimulus money. We see not it only nationally, but I have seen it locally in my community, political consultants are getting stimulus money, again, not meant for transportation.

You know, if that happens in other countries we don't call it waste. We call it outright graft and corruption. And that is what we are seeing with hundreds of millions of dollars that is not going to help people who have lost their jobs. And, again, if this happened in other countries, we would not call it waste. We would not have that political correct term that it is waste; it is cronyism and actual corruption. And we are seeing that widespread every single day from the so-called stimulus bill.

Every day that goes by, we read another instance of fraud, corruption and waste, but where that has not happened is—at least not to the degree, not to that degree—is in transportation infrastructure.

And Mr. Chairman, you know, I have said this before. We may have disagreements on specifics of the transportation bill, but where there is no disagreement is that it is a national priority and it must be a national priority. I just hope that this administration realizes some of the mistakes that have been made, realizes that transportation infrastructure is essential. And if we really want to have something that this Congress and this government can do to get the economy going, it is to pass the reauthorization bill that this Chairman has been working on for a long, long time, and stop postponing it and stop wasting time, and finally get serious about passing a real infrastructure reauthorization bill.

This Committee through the leadership of this Chairman has shown that he is not willing to accept waste or fraud or abuse of the taxpayers' money, and it is time to get serious and pass that bill. I just hope the administration finally starts listening to this Chairman.

Thank you, Mr. Chairman.

Mr. OBERSTAR. I thank the gentleman, I will send that transcript over to the White House.

Mr. Teague.

Mr. TEAGUE. Yes, sir. Mr. Chairman, thank you for having this meeting today. And the one thing about talking later is people have said almost everything. But a couple of things that were brought up that I would like to know is, we talked about a lot of different terminology here, but which terminology, which words will tell us exactly when we have jobs on the ground and when we just have money allocated?

And from listening to some of the other Members speak about things in their statement, we might want to address how we—you know, the way we have processed these funds before is give them to the States, and they process them the same way that they do their annual appropriations for roads and things like that. And if they are not going out properly and doing the jobs that we think should be done, being used for different things, maybe we need to look at a different way to allocate the funds.

Mr. PORCARI. First in terms of terminology, sir, think about it as ″obligated″ equals ″jobs.″ When the projects are obligated, that is when the job cycle begins. Where the jobs are either preserved or created, that is when you have a project that is identified. The obligated category also means projects that are actually underway. And as you know, we have over 7,000 projects underway around the country right now.

So the distinction I was trying to make before is ″obligated″ is really when it matters in terms of both preserving and creating the jobs. The outlay part where we have actually reimbursed the States is the very end of the process. We reimburse. We don't give Federal money to the States, for example, for a highway project, until we have a project that is built correctly and inspected. That is the process we use every day. It is the process that we are using in the Recovery Act. And honestly, it has served us very well. If we were to have a problem with an individual project, if it was inferior in some way, they wouldn't get reimbursed. So I hope that answers that question.

And again, I think one of the advantages of us delivering projects through this bill in the existing project delivery mechanisms is the State and local partners know how it works, they are used to it, they are used to the oversight and inspection that is required, they know they have to deliver a project before they get the Federal money. And all in all, I think it has worked very well.

Mr. TEAGUE. So you think that probably using this process has expedited the approval and completion of start obligation outlay and all of the jobs.

Mr. PORCARI. Absolutely, sir, I do. I am speaking both as the deputy secretary, but also in the early days of this bill as one of the people delivering projects as a State DOT secretary. You know how it works, you know where your projects are. If you are hustling and you have teed-up the projects, you can literally flip a switch and start the work as soon as the bill was signed. And that is exactly what we did.

Mr. OBERSTAR. Mr. Shuster.

Mr. SHUSTER. Yes, thank you very much.

Thank you, Mr. Secretary, for being here today. It seems like every month you and I run into each other somewhere.

I want to first of all echo the remarks of the gentleman from Florida on transportation spending and stimulus money. I believe, as many of us, maybe every one of us on this Committee believe that a larger portion of stimulus dollars should have gone into transportation infrastructure funding. And I think we would have seen a greater return than we have. And, of course, there are a lot of questions out there as to what really is the return, what are the jobs. It is a very difficult thing to measure.

But, again, I really wish we would have focused—and maybe it is not too late, some of those dollars that are still out there, take them and turn them into transportation infrastructure dollars and get them to work for America, because it is critical to this country.

It is 11:30 in the morning an I look out here, and every person in this room has been affected in a positive way by the transportation system of this country. Everybody got here somehow. This water got to me on a truck and was brought into the Committee room. As we go about our day, every interaction that we have as a purchaser, or getting to and from, we come in contact with the transportation system. Everybody, all 320 million people in America, have that same impact every single day, and I think we need to focus more on that and the benefits, the long-term benefits that it brings to the country.

Concerning the Department of Transportation's—we were talking about the jobs and it has been quite controversial as to how we are recording it and what the process is. Do you have a standard at DOT that you put out to the States that they are responding in a uniformed way across the 54 States to ensure that we are getting accurate reporting? I have looked at some of the Committee documents and some of DOT. And obviously they are slicing it different ways. But what are we doing to ensure that we are getting accurate figures from the States?

Mr. PORCARI. Well, first, sir, the States are used to the DOT definition of job reporting, and I think are very comfortable in continuing to put together those numbers. There are a couple of separate reporting requirements and that is, quite frankly, part of the confusion here. The most strict definition is the section 1512 reporting requirements in the recovery bill, which are just direct jobs. And that is reporting from the recipients directly to the Recovery Accountability and Transparency Board. Those are the recipients putting together the numbers themselves. And that is where the 45,000 job number to date comes from.

Because it is only direct jobs, the most conservative measure. Because it is the first time that those jobs were reported that way, there were some errors by the recipients. We had one State, for example, that reported the correct numbers but miscoded it, and these came out as Veterans Administration projects. We have since corrected that.

We have also had recipients that weren't States but very small entities—transit, for example—that are not used to reporting, who have made some errors, and we have been working with them throughout this process individually to try to get them up the learning curve on that. I think that has actually been largely successful.

Mr. SHUSTER. When you say "direct jobs," do you have a way to determine if we are talking about a job for a month or are we talking about a job that lasts 6 months or 6 years? That is a concern of a lot of what we are seeing out there across the board in stimulus, but even in transportation spending these are not long-term jobs, these are—they are out there for a month or 2 months and then they go away.

Mr. PORCARI. For the recovery part of the Recovery and Reinvestment Act, getting jobs out there right away is the priority. It is clear that these projects did it. The reporting is by jobs. You could also do it by hours. There are lots of different ways they could actually be structured, but what you are seeing in that particular reporting is a snapshot picture based on the reporting deadline.

Mr. SHUSTER. And would it be your view that having a long-term highway bill would have a much greater impact on the economy, on the industry, than this short-term infusion of cash?

Mr. PORCARI. We do know that a consistent and predictable long-term funding program for transportation is critical. My State colleagues, for example, as they have large, multiyear, very expensive projects, you need that kind of consistency and predictability.

Mr. SHUSTER. It ripples through the economy. I think as you will hear later, as a highway contractor aggregate company is going to testify here, and my discussions with them, is they are not making the long-term investments because they are not sure what is coming down the road as far as funding.

So I hope that you and the administration are making those arguments to the President and to OMB that it is critical we have a long-term bill here that will be positive for this country.

So thank you, Mr. Chairman, I yield back.

Mr. OBERSTAR. Thank you, Mr. Shuster. I completely agree and I am delighted to have the support of your side and our side. We don't have a side in this committee; we are all together. We need the long-term authorization bill. And I am glad the Secretary is traveling around the country getting ideas. You can start right here.

But our Committee printout, Mr. Shuster, does provide for every State, right down to total job hours created or sustained. Every Member has received a copy of this. In Pennsylvania, it is 1,393,411 hours of work in the Clean Water Revolving Fund, Fixed Guideway Highway Infrastructure, and Transit Capital Assistance.

Mr. SHUSTER. I have it.

Mr. OBERSTAR. You have got it right there, good. I just have to say it again: This is the only Committee that is doing this kind of accounting.

Mr. OBERSTAR. Ms. Titus.

Ms. TITUS. Thank you, Mr. Chairman.

Now, coming from Las Vegas, I thought I had seen everything. But I continue to be amazed when people who voted against the stimulus complain that they are not getting enough money and they aren't getting it fast enough. But aside from that, Mr. Secretary, I appreciate the fact that you have been working with the States. I don't mean to beat a dead horse, but Nevada keeps coming in 48, 47, in terms of these lists that we have and getting the money out and getting the projects underway.

The work that you have been doing with the different States, maybe you could tell us, are there any additional tools that you need that we could provide for you? And if we do, more money for these kind of projects that would make it work faster, especially in States like Nevada that have such high unemployment rates.

Second, have you identified any best practices as you met with these States that could be used by the rest of us to do better?

And third, sometimes it is the politics of a State that hold up the process. Our Governor, for example, refuses to put up signs that say, "This project was funded by recovery dollars." So have you thought about giving more money directly to like the regional transportation commissions or the local government instead of just through the States?

Mr. PORCARI. Well, first, we are using the mechanisms specified in the bill to get the projects out the door. We have been working individually with States to do this. In fairness to the States I would point out that they also have different requirements. Some of them were required to operate under pretty extensive consultation and approval processes, sometimes at different levels of State and local government, before they could actually have a project list that they would submit for recovery projects. Others had worked that out in advance, and that does account for some of the difference.

From Secretary LaHood on down, we have been working individually with States, where necessary, trying to make sure we have strategies that help get these projects out the door.

We have, through our division administrators in Federal Highways, through our regional administrators in Federal Transit just to mention two examples, we have individuals who are actually highly skilled at work, and have the working relationship with the individual States to get those projects going.

The intent in terms of jobs was really to make sure we had a continuum of jobs, we got projects underway quickly, we are creating jobs quickly, but also sustaining that over an 18-month or longer period. And what you are seeing now in some ways is the second stage of the rocket, where the early projects are actually mostly completed, and the larger more complex projects, as we get into the second stage of the rocket here, they are underway now, or will be shortly.

Ms. TITUS. I guess as we talk about a jobs bill that we are hoping to get out now in the next couple of weeks, or early in the new year, with more dollars to infrastructure, are there ways that we can do it better in the next cycle is what I was looking for.

And, really quickly, your comments earlier about the super—high-speed rail that you said you build up, you don't start at 120 or 200 miles an hour, does that mean that the Maglev project that has been proposed from Las Vegas to Southern California is out of the running?

Mr. PORCARI. No. And I didn't mean to infer that any individual project was out of the running. What I was trying to characterize is that there are different states of readiness for different projects. There are some places where there is right-of-way that can support high-speed rail today at 110 miles an hour and want to build up from there. There are others that don't have the dedicated right-of-way or shared right-of-way that would allow high-speed rail. We have a little bit of everything in terms of potential projects out there, but we are certainly not ruling out any potential projects.

To your earlier point, it is a very valid one. There are best practices out there, and certainly lessons that we have learned from this. And we have tried to take those to heart, whether it is through additional work like this or whether it is through just the day-to-day project delivery mechanism. One of the things that the Recovery Act has really shown is that when there is—when we are really working in partnership, when we feel that sense of urgency— and we certainly do feel that sense of urgency—we can get those projects underway.

Ms. TITUS. Thank you. Thank you, Mr. Chairman.

Mr. OBERSTAR. I thank the gentlewoman. I just want to point out Nevada has consistently ranked in the lowest tier. But now they have reached the point of the lowest four. And, characteristically, each month I have joined Mr. DeFazio, sending a letter to the Governor of the lowest-ranking States, asking for an explanation and reminding him of the language of the bill which says projects that are ready to be under construction—not the ones that are going to take 6 or 10 years that you need 3 years to think about—the ones that can put people to work the quickest. So we will get on it.

Mr. Larsen, you are next.

Mr. LARSEN. Thank you, Mr. Chairman. I have to say when you announced your policy of going highest to lowest, I turned to my colleague from New York, Mr. Arcuri, and reminded him this is what it is like to be a middle child. So wait your turn.

Anyway, just a few points. If I could enter for the record a stimulus newsletter from the State Department of Transportation in Washington State, outlining up-to-date numbers for Washington State, including over 1 million hours on the State Department of Transportation projects alone, since February, with people earning about $40 million from working on those specific projects.

And it goes through a variety of other statistics our State DOT is tracking to be sure that we are doing our job. So I will just enter that December 2, 2009 newsletter into the record as an example of how one State is watching its own self as we are moving forward.

[The information follows:]

Washington State Department of Transportation

Stimulus Newsletter

Stimulus News You Can Use is one way WSDOT is working to keep transportation stakeholders updated on the fast-moving effort to put people to work and improve the state's infrastructure. Each edition will have information on project delivery and highlights. Sign up to receive stimulus news e-mail updates.

Stimulus News You Can Use
WSDOT's informal weekly update about the American Recovery and Reinvestment Act (Recovery Act)

WASHINGTON JOBS NOW

December 2, 2009

The stimulus story this week

WSDOT and local governments have now received federal approval to spend over $400 million in Recovery Act funds on stimulus projects and continue to advertise and award projects for construction. Employers reported the highest labor hours and payroll to date in October, with employees earning $10.9 million in payroll for 284,192 hours of work. Since the Recovery Act was passed in February, employees have worked over 1 million hours on Washington stimulus projects and earned about $40 million. State and local governments completed seven more highway projects.

This week by the numbers (project dollars in millions)

Individual highway projects	State	Local	Total	Notes
Total funds	$340	$152	$492	
Obligated funds[1]	$264 (77%)	$139.1 (92%)	$403.1 (82%)	All funds must be obligated by March 2, 2010
Projects certified	40 (100%)	156 (100%)	196 (100%)	Four new individual projects certified on November 13
Projects obligated	39 (98%)	143 (90%)	182 (93%)	FHWA has obligated some or all funds for the projects
Project delivery to date				
Operationally complete	20 (50%)	58 (37%)	78 (40%)	Seven projects reported complete this week
Awarded/ under way[2]	32 (80%)	134 (86%)	166 (85%)	Includes completed projects
Advertised	35 (88%)	139 (89%)	174 (89%)	Includes completed and awarded projects
Certified, awaiting advertisment	4 (10%)	17 (11%)	21 (11%)	These projects, including several receiving surplus funds, are

				planned for upcoming advertisement.
Safety funding buckets ($12 stimulus)	**Rumble Strips**	**Cable median barrier**	**Total**	**Notes**
Completed	15	2	17	State stimulus funds only
Awarded	17	7	24	State stimulus funds only
Advertised	26	7	33	State stimulus funds only
Transit projects	**Large urban**	**Small urban**	**Nonurban/ rural**	**State total**
Percent of total $179 awarded	97%	97%	100%	98% Includes Washington State Ferries projects
Number of Transit projects obligated	33 of 35	18 of 19	20 of 20	52 of 55 FTA counts all rural projects as one project
October employment	**State**	**Local**	**Total**	**Notes**
Payroll	$4.4	$6.5	$10.9 for October	Cumulatively, $40 million in payroll to date Average wage is $37 per hour
Hours	109,584	174,608	284,192 for October	Employees have worked 1,061,000 hours to date
FTEs	634	1,009	1,643 for October	FTE = 173 hours per month
Employees	2,023	4,377	6,400 for October	Note: Not a count of unique employees

[1]$4M in state enhancement funds provided to locals. While WSDOT controls $340M, the total for obligation authority is $344M, which is the basis of the percentages in this table, and basis for USDOT review on 3/01/2010.
[2]This includes one state project that has stimulus funding authorized for pre-construction and is currently under way.

Key issues: State

Transportation Secretary Paula Hammond invited to White House Jobs Forum – Transportation Secretary Paula Hammond was invited to attend President Obama's December 3 Forum on Jobs and Economic Growth at the White House. The event will include a session on infrastructure investment as part of the nation's economic and employment recovery efforts.

Over $400 million now obligated to Washington Recovery Act projects – WSDOT and local governments have now received Federal Highway Administration approval to spend $403.3 million (82%) of the state's $492 million in stimulus funds for 196 individual projects and two statewide safety improvement bucket programs. More than 70 projects are now completed and 101 others are either advertised or awarded and under way. Washington is planning to obligate the rest of the funds soon. All states must obligate 100% of the Recovery Act funds before March 2, 2010.

Washington Recovery Act total highway payroll now approaching $40 million – Workers on Washington Recovery Act projects have worked over 1 million hours and earned over $39.99 million in payroll since the stimulus was passed in February. In October, employees earned almost $10.9 million working 284,192 hours. More information on employment data, including a chart on Recovery Act employment over time, is available at the stimulus employment reporting webpage.

WSDOT advertised major Yakima County project – On November 23, WSDOT advertised the contract for the I-82/Valley Mall Blvd Interchange in Yakima. The $28.6 million in stimulus funds enabled WSDOT to advance this project that otherwise would have been delayed six years due to state funding constraints. The interchange provides access to and from I-82 for Union Gap and Yakima. The interchange serves a growing commercial area with heavy traffic congestion.

Leaders broke ground on Bellevue Braids project November 24 – Transportation Secretary Paula Hammond, Bellevue Mayor Grant Degginger and a host of local, state, and federal officials broke ground November 24 on the I-405/NE 8th to SR 520 Braided Ramps project. WSDOT and Atkinson Construction of Renton signed the contract earlier in November and construction is set to begin in January. The project received $30 million in stimulus funds. See the project website for more information.

Seven more highway projects completed –

- WSDOT - I-5/North Kelso to Castle Rock Pavement Rehabilitation
- Kittitas County - Yakima River Canyon Center Phase 1
- Union Gap - North Rudkin and Main/Ahtanum Rd Intersection Overlay
- Asotin County - Scenic Way Overlay
- Klickitat County - South Columbus Overlay
- Klickitat County - Bickleton Highway Overlay
- Grant County - Fairgrounds Path

Three highway projects readvertised in November – Three projects were readvertised in November after issues arose with previous awards. The contract for two Thurston County projects receiving $1.33 million in Recovery Act funds was advertised on November 17. The projects - Prairie Creek bridge replacement and Old Highway 99 turn lane north of Grand Mound Lodge - had earlier been advertised and awarded. Also, a Ferry County stimulus project receiving $370,000 in stimulus funds was readvertised on November 18. The earlier awarded Bridge Creek Top East project included a plan error.

Newsletter now has 700 subscribers – Thank you for the continued interest in the latest news on WSDOT stimulus projects. The newsletter now provides regular updates on stimulus projects to 700 subscribers. The first public edition of Stimulus News You Can Use in June had 247 recipients.

Key issues: National

Congressional report: Stimulus has created 600,000 to 1.6 million jobs – The nonpartisan Congressional Budget Office reported that the American Recovery and Reinvestment Act has resulted in 600,000 to 1.6 million jobs and an additional 3.2% of the gross domestic product that otherwise would not have existed. The newly released report is based on data through September 2009.

Projects costing $14 billion currently under construction nationwide – The Federal Highway Administration reported that as of November 27, 5,458 projects are under construction nationwide. To date, the FHWA has obligated $21 billion to 9,311 projects out of $26.8 billion in Recovery Act highway funds.

U.S. Department of Transportation National Review Team visited Washington – National Review Teams from the U.S. Department of Transportation are visiting all 50 states to monitor stimulus project delivery nationwide. The National Review Team visited Washington in November and reviewed 13 projects. Prior to coming to Washington, the teams had visited at least 39 states according to the November 6 U.S. DOT newsletter.

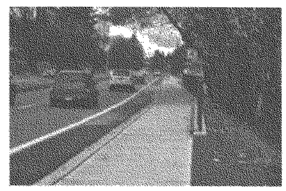
Federal Inspector General issued Recovery Act report on November 30 – The U.S. Department of Transportation Office of the Inspector General identified vulnerabilities relating to project selection, project and contract oversight, new programs, and new reporting requirements in a report published November 30. The report recommended the U.S. Secretary of Transportation address vulnerabilities cited in the report within 30 days. The report is available at the Inspector General's website.

- On November 20, the Office of the Inspector General launched an audit into job creation and reporting associated with the Recovery Act. The report, requested by U.S. Rep. John Mica, the ranking member on the House Transportation and Infrastructure Committee, is to determine whether the Airport Improvement Program is preserving and creating jobs and whether the employment reporting satisfies the Recovery Act's requirements.
- The Recovery Act provided the Office of the Inspector General with $20 million for stimulus oversight.

House T & I Committee to hold progress report hearing on Recovery Act – On December 10, the U.S. House Transportation and Infrastructure Committee will hold the latest in its series of hearings on the American Recovery and Reinvestment Act. Governor Gregoire submitted Washington's latest data report to the committee in November. The committee is tracking project delivery, job creation, and spending related to transportation infrastructure projects. The hearing begins at 7 am Pacific.

Stimulus project of the week

Stimulus funds provide sidewalks and bike lanes in Tumwater



Bicycling and walking along one of the city of Tumwater's major arterials has become easier and safer, thanks to funding from the American Recovery and Reinvestment Act.

Capitol Boulevard between "E" Street and "M" Street in Tumwater is a four-lane divided arterial. Prior to this project, bicyclists on the northbound side of the arterial had to ride in the traffic lane and a narrow sidewalk put walkers right up against the roadway curb. Stimulus money paid for a dedicated five-foot bike lane and allowed for a relocated, nine-foot wide sidewalk that will be shaded with trees.

"Prior to this project, walking or biking along this stretch of roadway wasn't a very pleasant experience for anyone," said City of Tumwater Public Works Director Jay Eaton. "This area is planned for urban development and since there was an existing sidewalk, we would not have been able to tap a developer for these improvements. The city would need to come up with the money somewhere – without the stimulus funds this project would not have been completed anytime soon."

The new Capitol Boulevard bike lane and sidewalk connects with the bike route on Deschutes Parkway, providing a convenient, safe access to recreation areas along the Deschutes River and Capitol Lake. These improvements also support alternative transportation modes and will help accommodate Tumwater's planned future development.

Important dates

December 3: Transportation Secretary Paula Hammond attends White House Jobs Summit in Washington, D.C.
December 10: U.S. House T & I Committee holds Recovery Act hearing
December 20: Next report to U.S. House Transportation and Infrastructure Committee
January 10: Next quarterly report due to OMB
February 17: Deadline for the U.S. Department of Transportation to announce TIGER grants and High-Speed Intercity Passenger Rail awards (both are expected earlier)
March 2: Deadline for obligating federal highway funds

Websites of interest

WSDOT ARRA website: http://www.wsdot.wa.gov/funding/stimulus
Washington recovery website: http://www.recovery.wa.gov/
Federal recovery website: http://www.recovery.gov/
FHWA recovery website: http://www.fhwa.dot.gov/economicrecovery/index.htm
Federal Transit Administration recovery website: www.fta.dot.gov/recovery
Federal Rail Administration recovery website: http://www.fra.dot.gov/us/content/2153

Federal Aviation Administration recovery website: http://www.faa.gov/recovery
OMB recovery website: http://www.whitehouse.gov/omb/recovery_default/

Last revised on December 03, 2009

Mr. LARSEN. This talk about numbers, accounting numbers, Mr. Porcari, it is important. And note on the next panel, the GAO will testify on transit, in addition to some other things, but on transit. And one of their conclusions is that some State transit officials and bus manufacturers are using different criteria to measure job creation and retention. And you testified earlier that in fact there was some consistency in counting job creation and job sustainment. So GAO is finding something different, at least when it comes to transit.

Can you address that discrepancy for me and help me understand that? And, second, help us understand what you are doing to address that concern.

Mr. PORCARI. As to the first part, I am at a little bit of a disadvantage here. I haven't seen the GAO reports. I am not sure what the specific findings are. But we have been working with individual recipients on the job reporting, both through the section 1512 requirements and what are typically multiple reporting requirements for most transit agencies. We are doing that on an ongoing basis. In fairness to some of the transit properties, it is a new process for them. We will continue to refine it, and if there are individual issues that we need to address, we are committed to addressing that. Because I think an important part of the delivering here is delivering the projects, but also the credibility that comes with doing this right.

Mr. LARSEN. I agree the credibility is dependent. And it is important, this discussion we had earlier about what is obligation, what is appropriated, what is allocated. I understand those distinctions are important, but the credibility is really on who is working and who is not working, because that is honestly what we care about seeing someone work, which is why a lot of us voted for the Recovery Act.

I will just note as well for Members, other Members have done this, I have visited about 19 or 20 separate recovery projects in my district, not all of them transportation, but half of them transportation. It is important to go see these not only because we can kind of work as our own watchdogs in our own districts, but also there are critics out there of the votes we have taken in the past Recovery Act. I would encourage Members to go visit those recovery projects in the district and make your own assessments and not read—we can read all the reports in the world, written by folks who have never been to my area of the country, probably think Washington is still this area. But in fact if they go out there and see these projects in place, see people working, and see a half mile of new road, with new sidewalks that makes it safe for kids to walk to school from the local neighborhood, they will have a better understanding of how these Recovery Act dollars are working.

I just wanted to ask that question about the job numbers with regard to transit because there does seem to be some discrepancy.

Finally on the FRA applications, is there a timeline on track 1 and track 2?

Mr. PORCARI. Yes. The current thinking, we anticipate awarding or announcing all of the awards, track 1 and track 2 and others, at the end of January.

Mr. LARSEN. At the end of January.

Mr. PORCARI. Yes, which is ahead of the overall schedule planned before.

Mr. LARSEN. Okay, thank you. Thank you, Mr. Chairman.

Mr. OBERSTAR. Thank you, Mr. Larsen. We have time—11 minutes remaining on this vote. Mr. Hare.

Mr. Secretary, by the way, do you have a time limit?

Mr. PORCARI. I am at the committee's——

Mr. OBERSTAR. We have three votes coming up.

Mr. HARE. Thank you, Mr. Chairman. Just for the record, I understand you were awarded the Player of the Week Award in the magazine, one of the magazines the other day. I would like to suggest that he should have been Player of the Year. You have been tenacious since we started this session on getting the highway bill and getting people back to work. And, you know, I want to thank you on behalf of all the people who have gone to work and those who who are going to go to work. You have never backed off an inch and I appreciate that.

Mr. Secretary, you might have mentioned this, but for passenger rail, not high-speed rail, but for passenger rail we have, since my colleagues have talked about a couple of their projects I would get in trouble if I didn't mention mine. We have one going from Rock Island or Moline to Chicago, passenger rail. And I was wondering if those figures that come out or those announcements that come out, is that part of the—is that on the high-speed rail project?

Mr. PORCARI. The overall category for high-speed rail includes other tracks that are—some of them are shorter term upgrades than others. The whole package of improvements, both distinct high-speed rail projects and others, including some planning and design work, we anticipate being announced at the end of January.

Mr. HARE. Because that would be 800 long-term sustainable jobs. So I would hope that we would be in the hunt there. You also mentioned the TIGER Grants. I think those are wonderful. I have a city in the southernmost part of my district, Quincy, right on the river, that is applying for a TIGER Grant. And my understanding is that would be hundreds of jobs for that community. So I think that is a great program. I talked to the Secretary about both of those. I think that is what we are here for, to try to get something done.

I just want to ask one quick question. I know we have votes. There have been some critics of the Recovery Act that have complained about red tape that hinders the quick and efficient use of the funds. Have you found this to be factual?

Mr. PORCARI. No, I have not. In fact, to the contrary, because it is the same process that we have used for years for projects, where our State and local partners know the process and know what is required. That kind of consistency and predictability has actually been helpful to them, I think, in knowing how to get projects done.

Mr. HARE. And then just the last one. You talked about in your testimony that the Recovery Act funding for transit has resulted in the purchase of almost 11,000 new vehicles. What is the impact of this investment, not only to the state of the transits but also on the supply chain that produces these buses?

Mr. PORCARI. It is a very good question because, obviously, the transit agencies benefit from that rolling stock, the buses or rail vehicles. But the manufacturing part of it—and there is a Buy America provision, of course, within this—has been a substantial boost as well.

And, finally, I would note, going forward in high-speed rail, from the beginning Secretary LaHood has put a strong emphasis on the American manufacturing capability and potential for this. So as we get to the other parts of the Recovery Act, beyond the transit vehicles you mentioned, we have been delivering a clear, unequivocal message of our expectations for a durable, broad, and top-to-bottom American-based manufacturing capability for high-speed rail.

Mr. HARE. I appreciate that. Thank you, Mr. Secretary.

Mr. OBERSTAR. Thank you, Mr. Hare. Ms. Hirono.

Ms. HIRONO. Thank you, Mr. Chairman. This Committee has been a model for keeping track of what is going on with our money in our area of jurisdiction. So, Mr. Chairman, I know that it has not escaped your notice that on one of these charts that you provided, the State of Hawaii is number 50, but I do want you to know that, as the Secretary mentioned, the States are pursuing individual strategies and we have far less of a percentage, for example, on resurfacing projects. And the Federal Highway Administration just okayed a project which will probably put our State in the 87 percentile ranking, so I wanted to let you know that.

Mr. Secretary, in the GAO testimony it was noted that there are many States that are awarding contracts for less than the original cost of the project. Are you making note of that? And is this something that we need to provide maybe a little more time for the States to obligate—reobligate these funds? That is my first question.

The second question regarding the purchasing of all these buses, as we try to promote intermodal transportation. For example, I represent a rural area, as do many of us. Buses is the way that they are going to provide transit for their people. And so is this an area allowing or providing the opportunity for these rural areas to purchase more buses? Isn't that something that we ought to be paying more attention to as we reauthorize the transportation bill?

Mr. PORCARI. First, on the reobligation, it is a great point because many of the contracts have been coming in under engineers' estimates. That is obviously good news. That money, the savings get recycled and put into additional projects. We believe that the recipients can still add these additional projects within the time frames that are in the bill.

One of things you are seeing, for example, involves the aviation portion of this at $1.1 billion. We have been at about 99 percent completion for a month or two now, because the savings appeal—we keep adding projects to it. Again, that is good news, but I think we can all work within the time frame of the bill.

The issue on buses in rural areas, clearly transit has a lot of dimensions. One important one is it is literally a life line in our rural areas. It is connecting people with jobs, it is connecting seniors with needed services and opportunities.

Ms. HIRONO. Definitely the case in my State.

Mr. PORCARI. We are mindful of that as the transit systems throughout the country all have really different strategies in many cases for what kind of service they are trying to provide; and for the most part, they have the discretion to pursue the strategy that best serves their customers.

Ms. HIRONO. Well, for a place like Maui, for example, they have the highest bus ridership in the whole country, I am told. They only have buses; there are no other mass transit modes. So I am thinking perhaps we should provide more funding for buses in these kinds of areas, because they don't have very many other options, frankly, besides the individual cars.

Mr. PORCARI. We do know there is far more transit need out there than we presently fund.

Ms. HIRONO. Thank you. Thank you, Mr. Chairman.

Mr. OBERSTAR. We will recess for the three votes, and when we resume it will be Ms. Richardson and Mr. Arcuri, and, following them, other Members who return who may have follow-up questions. Because there were questions asked about TIGER Grants that supplement the previous comments, that the equitable distribution language does apply to the TIGER Grant Program, and I am sure the Secretary has that in mind as they go through this.

Mr. PORCARI. Absolutely.

Mr. OBERSTAR. The Committee stands in recess.

[Recess.]

Mr. OBERSTAR. When the Committee rose, Ms. Richardson was next in line for opportunity to question. The gentlewoman from California is now recognized. I must also add that the gentlewoman led a delegation to Afghanistan. I don't expect you to report on that here, but she ismultitasking. We thank you for your vigilance in Afghanistan as well as here in the committee.

Ms. RICHARDSON. In fact, I made sure to look at Highway 4, which is a very big road and highway in Afghanistan, so I did our transportation work while we were there.

Deputy Secretary, let me first of all say I want to commend you for the record. You have actually been to my district, and listening to some of our colleagues, it sounds like you have been a lot of places. That is all we can ask as Members is to have the various administrators engaged, knowing the district, having the knowledge to make good decisions. So I, first of all, want to commend you for that.

Number two, what I would like to talk a little bit about, Mr. Chairman, when we first talked about the stimulus money, one of the things we said that was so important is that if we had all this money, we needed to make sure that not only were we doing projects on paving roads and all that, but somehow we were creating some networks that would make sense, and we would also deal with the unemployment at hand.

I have a couple questions for you. We pulled up theFHWA Supplemental Guidance on the Determination of Economically Distressed Areas, and in section 301(a)(1) and (2), it talks about the guidance is based upon 80 percent of the national average in terms of per capita income, and then it says 1 percentage point over the nationwide unemployment rate. But then later it talks about— there is a third section. It says, if a State feels that an area or a project meets some of these other criteria, business closure, threatening businesses and so on, that it could qualify under a distressed area section.

What I would like to respectfully request for this Committee is that in the document it says that the State should be able to provide information as to how the State identified, vetted, examined projects located in economically distressed areas, and how the State selected projects based upon the priorities, preferences, conditions, and requirements of the Recovery Act.

So, for starters, I would like to ask for the State of California, and then, of course, all of the States, for us to receive this information. How did they determine that the project was in a distressed area, and which section did it apply to? Did it apply to the economic per capita income, did it apply because it was of the unemployment, or did it apply to all these other ″also rans″? Because it if applied a lot of these projects to the ″also ran″ category—and now I am using a horse metaphor—we really maybe have not completely solved some of the problems that we were hoping to achieve through the stimulus money.

Let me give you an example of what I mean by that. You have been to my district. I don't think there are many districts that can compete in terms of total transportation: ports, airports, highways, roads, bridges, on and on and on, and yet when you look at the allocations, which I am very well aware that you don't determine, but what I would hope is that you would work with the various State DOTs to ensure that the hard work this Committee made to make sure this was done right, that it, in fact, is happening.

So, for example, if you were to just look at the $44.6 billion and divide them out by 439 districts, if you were looking at just straight equitable, it would be $102 million. That didn't happen. If you look at, as some of the Members talked about, districts that have very serious transportation needs, that didn't happen. I am not here—one of the things my Chairman has taught me, I am not here to embarrass any other Members, but I will supply you with the information that shows it wasn't even done based on that.

So what I am hoping is with the remainder of the money we have that you will be able to work with the various States to ensure the things we hope to have achieved, which was the most critical networks, meeting the distressed area requirements, that the remaining money that we have maximizes in that effort, so moving forward and not crying about the spilled milk of what happened in the past.

I just wanted to give you an opportunity to respond to that.

Mr. PORCARI. Thank you, Congresswoman.

This is a really important part of the Recovery Act, the focus on economically distressed areas, and the aggregate nationwide number, economically distressed areas nationwide are 39 percent of the population. But of the projects nationwide, 57 percent of the highway projects and 60 percent of projects overall have been in economically distressed areas, and that is the Commerce Department definition. That emphasis has been there.

I will tell you that Secretary LaHood personally has been stressing that both in written and verbal communications with the States, something that we have been very focused on. Where we have had discretionary grants, admittedly on a smaller scale, but the small shipyard grants, for example, because that was part of the criteria, we made it a very heavily weighted part of the criteria for the small shipyard grants, where we had that discretion, knowing that the jobs are doubly important in those economically distressed areas.

We will be happy to get the information together for the Committee on the States and in this case California's individual efforts within economically distressed areas and how that has worked. Going forward, it will continue to be an emphasis of ours, as it has been from the beginning.

Ms. RICHARDSON. Mr. Chairman, my time has expired. Could I follow up?

Mr. OBERSTAR. The gentlewoman has been patient coming back and participating, so the gentlewoman may indeed continue, but I will ask her to yield for a moment on thisEDA issue.

This was one of my contributions to the whole stimulus, among many. I insisted that the House language—and it survived conference—include a directive to the Department to allocate their funds by the EDA formula.EDA has a well-established set of criteria by which it measures economic distress in the rural counties, in urban centers, and in parts of urban centers, even down into neighborhoods. The O Street Market project, for example, in Washington, D.C., was an example of a microtargeted project. This was several years ago.

And then we asked also Federal Highway and DOT to report to us on the percentage of projects that are in EDA areas, percentage of funds obligated, and then the population of the State. California, 99 percent of the projects, the highway projects, went to EDA-designated distress areas. Ninety-nine percent of the funds obligated so far have gone to EDA-designated stress areas.

If there are some discrepancies the gentlewoman has, I want to know about it. Bring them here or bring them to my attention, and we will get on this. We will correct it. I know the Department will be totally participatory in this matter as well.

Ms. RICHARDSON. Yes, Mr. Chairman. You are exactly right of the report that you referenced. My question, though, was delving deeper. The report reflects that, yes, the majority of these projects have been in EDA areas. But if you read the criteria in the EDA, there are three different sections. And so what I am asking is that the report would reflect are the EDA areas because it is 80 percent of the income per capita; or is it EDA because it is, in fact, only 1 percentage point higher than unemployment; or is it, in fact, EDA, which I think we are going to find when we get this report, that a lot of it is because it is business closures, threatened business closures, military base closures, which some might argue, and I might once we see this information, that some of the criteria, one, two, or three—I would argue that one and two better meets why you put this language in here in the beginning. I don't think we intended that category 3 would be the majority of how those projects were selected.

Mr. OBERSTAR. What I wanted so that there be clarity and simplicity and not arguable is to follow existing law. It is the simplest, the cleanest way. It is a known quantity, a known commodity. There is a practice. And then we leave it to the State to make these determinations. But these are the criteria that they can follow. It may be possible for States to subdivide that information, and we will pursue that.

Ms. RICHARDSON. Thank you, sir. It does say in their guidance that the States should be able to provide that information. So we are simply asking for that.

The last question I would ask is the other big piece, this whole thing about the stimulus was: How many jobs? Several Members asked you questions, and you answered the question of 46,400 direct jobs is what your testimony references.

When we had our last meeting, which I believe was on October 1, we asked the question: Could you differentiate between how many of these were actually new jobs, and how many were people who already had contracts and they were able to maintain their jobs? If you look at all the language having to do with the stimulus, it was we maintained or created jobs. I am curious in your section 1512, does it differentiate between who was able to keep a job and who it was really a new person who was unemployed? I think the example that you gave in your testimony, can we differentiate between those two?

Mr. PORCARI. Ma'am, the 1512 reporting doesn't differentiate between retained or created. Again, those are just direct jobs in that one.

Ms. RICHARDSON. And so, Mr. Chairman, I would suggest that when you look at one of the biggest arguments that we are getting beat up in the public because we still have a high unemployment rate is: Has, in fact, the stimulus really dealt when that unemployment rate and got new people hired? So maybe we can explore when this is done really understanding are these new jobs or not?

Mr. OBERSTAR. If the gentlewoman would yield.

Ms. RICHARDSON. Yes, sir.

Mr. OBERSTAR. We asked, through AASHTO to all the State DOTs and through Federal Highway DOT, whether that distinction could be made in the reporting. Many came back and said it would be very, very difficult, verytime-consuming to do that, to make that kind of report. I think that is something we may want to pursue with the next panel, with GAO, and how we can simplify and make it less complicated for them.

I can say that my experience, and at least traveling to half a dozen States, is that most contractors had their workers on layoff, called them back. And even those who had most of their people, the ones that were still on payroll were at reduced hours; 30 hours, 32 hours, 25 hours. It varies from contractor to contractor, keeping them on thepayroll so they could retain their health insurance benefits. Sand and gravel pits, cement producers had total layoffs. That was a complete recall.

I would ask GAO who are in the audience to think about how they can help us simplify a reporting process that could provide that level of detail.

What the gentlewoman is referring to, though, the criticism is coming from other portions of the stimulus. How can you account for teachers retained rather than teachersrehired; police retained, not laid off; firefighters not laid off because they got stimulus funds? I don't know. That is up to States. It is not within our jurisdiction.

I do know this: These hours at the end of the last column of this long 14-inch report column has total job hours created or sustained. In California, that is 3.8 million job hours. Breaking that down to how many of those were new jobs or how many of those were 32 hours and went to a 40-hour week, that might be a lit bit of an accounting stretch. But we know that number is real, and that number is there for every State.

Ms. RICHARDSON. Reclaiming my time, sir, your generous use of my time. The reason why this point is important, first of all, I am thankful for all the jobs we have been able to maintain. That was critical. I agree with everything you laid out. But in districts like mine, where we already had unemployment already exceeding 12 percent before this whole thing happened, for us to justify to those constituents, at some point those unemployed need to be able to figure out how we can get them employed, too, and not just the people who already had a job, who are now—they are protected, and they still have their job for another year. But the ultimate goal, if we are going to keep spending this money, is we have also got to figure out how to get some of those unemployed people who have been unemployed, bringing them to the rolls as well.

I look forward to working with you. It is possible if we get a new jobs bill, that I know you are working so hard for, that we can ensure, if not for this language as we go forward, that we can differentiate, because it is a very key point in terms of people who are working.

Thank you, sir. You have been gracious.

Mr. OBERSTAR. Mr. Porcari, you respond now.

Mr. PORCARI. First of all, both are important jobs, retained and created. We are very open in our thinking about lessons learned from the Recovery Act, going forward: Are there more sophisticated ways to capture the data? As the recipients get better at reporting, are there ways that we can continue to do this in the future?

I would put it under the category of lessons learned. And we do understand that where we have the ability to do so, we should make every attempt to make that case, because the lesson that I am taking from this is that people are seeing both projects and employment, and to the extent that we can reinforce both of those very directly and see the direct benefits, it bodes well for transportation and infrastructure.

Mr. OBERSTAR. I think the point Ms. Richardson is making is a very important one. I know many of our colleagues are getting the same questions. And, of course, the naysayers are all too ready to carp and complain and say, well, those were jobs that are already there, you are just putting them on the job for another 8 hours a week.

Well, you try that. You go out and work 32 hours and get a reduced paycheck. Isn't it a bonus to get another 8 hours? If your shirt size is 16, and they sell you a size 15-1/2, you can't button that top collar. It is the same thing here. That boosting up to a full 40-hour week and then, in many cases, assuring that you get full benefits and your retirement and your health insurance, that is a big deal. Documenting it is something that we really should make an effort to do.

Ms. Richardson, do you have anything else?

Ms. RICHARDSON. Thank you, sir. It has been a pleasure. I only wish all of the agencies that had thishard-earned money had operated it as you have in this Department.

Mr. OBERSTAR. I just wish we had $500 billion of stimulus in our program. We would have 2- or 3 million people working.

Ms. RICHARDSON. You would have my vote for that.

Mr. OBERSTAR. Mr. Porcari, has DOT—not you specifically—DOT done—and I want AASHTO to be thinking about this as well—a survey of contractors to see what their capacity is? In addition too, we have the regular 80-20 program, as I call it, the SAFETEA, which is still under way, 15 States are not able to provide their full 20 percent match, or not able to match, or a bonding to cover their match. Now we have the stimulus on top of that. Bids are coming in at 25 percent, on average, below final design engineering estimates. I know that was the case in California. Then-Commissioner Will Kempton was the first one to report that they are getting this windfall bonus. Other States reported the same.

What is the capacity now of the industry to absorb additional recovery funds if we have a follow-on second-stage stimulus?

Mr. PORCARI. First, I don't know that we have done a specific study of this, but I can tell you from conversations with State DOT secretaries, other transportation colleagues, and hearing a lot from the industry the kinds of things that you pointed out, for example, that the pricing is still coming in, in many cases, below engineers' estimate, is a pretty solid indicator that there is unused capacity out there. I know that there are States, for example, that are in the middle of a very difficult decision of laying off either part of their engineering staff or not making their Federal aid match, another indication that overall there is much more capacity both on the public and in the industry side.

The sense I get is that there is a lot of satisfaction and acknowledgment that the Recovery Act for transportation has really worked as designed, but keeping the momentum going is something we are all focused on, and knowing that from a nationwide perspective that this is a fraction of our total infrastructure needs, it is clear that there is both a need for projects out there and, I believe, capacity out there to get it done.

Mr. OBERSTAR. I believe there is substantial capacity. Associated General Contractors did a survey of their top 400 companies, who reported that they anticipate layoffs of as much as 40 percent this coming spring when stimulus winds down and when additional States are not able to provide their 20 percent match, and we actually see another meltdown in the economy. Not only is there a capacity now, there is going to be more capacity.

I would expect, and I would like to get your take on this, by May we may have in the range of 1,000 highway, bridge, transit projects still under way. We will have gone well over 9,000 by then.

Mr. PORCARI. Yes.

Mr. OBERSTAR. If 30 States are not able to match, as current estimates indicate, 30 States are not able to provide their full 20 percent match under the SAFETEA program, then there is going to be a further cutback. The private sector is not coming back. Shopping malls, shopping centers, apartment complexes, business complexes, construction companies that were doing 90 percent of their work in the private sector are now doing 90 percent stimulus funds.

We could see a confluence of these negative forces right at the time when we need to sustain the effect of the recovery.

Mr. PORCARI. That is very true, Mr. Chairman. I think, as I mentioned earlier, people are looking for the second stage of the rocket here. It is clear that——

Mr. OBERSTAR. That is a good image. I like that.

Mr. PORCARI. You are welcome to use it.

Mr. OBERSTAR. I will. I will even attribute it to you.

Mr. PORCARI. It is clear that the efforts have been successful so far. We need to keep the momentum and accelerate. The need is out there. I know you are going to hear from the next panel some very direct observations on that. But all the kind of indicators that we see make it clear that the capacity is out there, the need is certainly out there, and, remember, this is really an investment in our economic future. Transportation in this sense is an enabler for the quality of life we all want. We need to make that down payment now for the next generations.

Mr. OBERSTAR. I completely agree with that. I am glad you have said it that way. We say it. The Secretary needs to continue saying it. It would be nice if the President said that, too, put that in one of his speeches. It would be very helpful. People pay attention.

I cited at the outset of my remarks today the miles, thanks to the reporting, nearly 28,000 miles of pavement, new construction improvement, widening, and transportation enhancements; 27,755 miles and going faster as we speak. Of that number, how much do you estimate is state-of-good-repair projects, and how much are finishing off longer-term projects?

Mr. PORCARI. Mr. Chairman, I wish I knew the exact numbers on that. And I do think it varies.

Mr. OBERSTAR. You can supplement that.

Mr. PORCARI. We will get you the best information we can. We know that many of the smaller, earlier projects that were out the door the quickest and got the jobs quickest were state-of-good-repair projects, just by their very nature. So we will try to get you some numbers on that.

[The information follows:]

S10-091230-082

U.S. House of Representatives

Committee on Transportation and Infrastructure

Washington, DC 20515

James L. Oberstar, Chairman

John L. Mica, Ranking Republican Member

David Heymsfeld, Chief of Staff
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December 22, 2009

Mr. John Porcari
Deputy Secretary
U.S. Department of Transportation
1200 New Jersey Ave, SE
Washington, DC 20590

Dear Mr. Porcari:

Thank you for your testimony before the Committee on Transportation and Infrastructure on December 10, 2009, concerning implementation of the American Recovery and Reinvestment Act of 2009. I am pleased you were able to appear and testify on behalf of the U.S. Department of Transportation. The Committee gained valuable insight from the information you provided at the hearing.

Enclosed please find one question for written response for the record. The Committee would appreciate receiving your written response no later than January 11, 2010. Please submit your response via U.S. mail to Joseph Wender at 2165 Rayburn House Office Building, Washington, D.C., 20515. Additionally, please provide an electronic version of your response via email to Joseph.Wender@mail.house.gov.

If you have any questions please contact Joseph Wender at (202) 225-4472.

Sincerely,

Jim Oberstar

James L. Oberstar, M.C.
Chairman

Enclosure

S10-091230-082

Question Submitted in Writing by Congressman James L. Oberstar
for the Honorable John D. Porcari
Deputy Secretary, U.S. Department of Transportation
House Committee on Transportation and Infrastructure
Hearing on "Recovery Act: Progress Report for
Transportation Infrastructure Investment"
December 10, 2009

Deputy Secretary Porcari, the Federal Highway Administration (FHWA) reported that highway and bridge investments funded by the Recovery Act will result in 27,756 miles of road improvement and 1,272 bridge improvements, based on obligations as of December 8, 2009. What percentage of these projects will bring existing roads and bridges, respectively, to a state of good repair?

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[the information follows]

In response to the Chairman's request for information about the percentage of highway and bridge infrastructure projects funded by the American Recovery and Reinvestment Act of 2009 as of December 8, 2009, that brought facilities up to a state of good repair, the Federal Highway Administration has worked closely and continuously with the Committee staff in an attempt to develop meaningful information. At this time however, we are not able to generate systematic data on this question that would permit us to estimate reliably a percentage of projects that brought facilities into a state of good repair. In terms of anecdotal information, it is clear that many resurfacing and comparable "shovel ready" projects that dominated the early months of the program brought facilities up to an acceptable state. More systematic data would be valuable, in our view, and we plan to continue the work necessary to produce the desired information. When that is complete, we will advise the Committee.

Mr. OBERSTAR. For years I have heard—and I see Mr. Basso in the audience; he has a long career in transportation, and he was part of this, too—from State DOT saying, only if we have had the money, we have a portfolio of projects that are ready to go; that we can do widening, we can do pavement improvement. Now they have got the money to do it. I hope and I expect that this report indicates that these 27,000 miles are those—a good deal of those state-of-good-repair projects that States have long wanted to do. Now they have 100 percent funding to do it.

Mr. PORCARI. That is correct. We know that at least in many cases that is exactly what it was. It was the most critical resurfacing priorities, the most critical bridge repair priorities from long-established lists that the States were unable to fund without this direct infusion.

Mr. OBERSTAR. One last observation. In light of the reality of State revenues declining—60 billion vehicle miles fewer traveled in this past 8, 9 months than in the previous year, the first time that phenomenon that has occurred since 1956 in the beginning of the Highway Trust Fund and the interstate highway program—and with the decline in revenues and State inability to match, wouldn't it be a good idea, wouldn't it be a great benefit to States to sustain the momentum if we could fully fund the existing program as well as the stimulus on top of it?

Mr. PORCARI. Mr. Chairman, I know we have some real challenges in that respect. I don't have an answer for you today on that, but I think we all do understand that transportation is a good investment for the future, and that the efforts in the Recovery Act on transportation are a good illustration of that.

Mr. OBERSTAR. Thank you. You are a good soldier. You didn't take the administration down a path they aren't prepared to answer yet. Very good. Very well done. But I think the answer is yes.

Thank you. Again, thank you for your willingness to serve, Mr. Porcari, in public service. You had a great stewardship at the State of Maryland.

Mr. OBERSTAR. Our next panel is Katherine Siggerud; Gary Ridley from the Oklahoma Department of Transportation; Joseph Calabrese; Rosemarie Andolino; and Mr. Van Buren, New Enterprise Stone and Lime Company, representing ARTBA.

Welcome back, Mr. Shuster, to the hearing.

Ms. Siggerud, thank you again for being with us and for your vigilance on the Recovery Act.

TESTIMONY OF KATHERINE A. SIGGERUD, MANAGING DIRECTOR, PHYSICAL INFRASTRUCTURE ISSUES, GOVERNMENT ACCOUNTABILITY OFFICE; GARY RIDLEY, SECRETARY, OKLAHOMA DEPARTMENT OF TRANSPORTATION, REPRESENTING THE AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS; JOSEPH CALABRESE, GENERAL MANAGER, GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY, REPRESENTING THE AMERICAN PUBLIC TRANSPORTATION ASSOCIATION; ROSEMARIE S. ANDOLINO, COMMISSIONER OF AVIATION, CHICAGO DEPARTMENT OF AVIATION, REPRESENTING THE AMERICAN ASSOCIATION OF AIRPORT EXECUTIVES; AND JAMES W. VAN BUREN, VICE PRESIDENT, DEVELOPMENT, AND CHIEF OPERATING OFFICER, NEW ENTERPRISE STONE AND LIME CO., INC., REPRESENTING THE AMERICAN ROAD AND TRANSPORTATION BUILDERS ASSOCIATION

Ms. SIGGERUD. You are welcome.

Chairman Oberstar, Mr. Shuster, thank you very much for inviting us here today. As you know, we are examining States' use of funds made available for highway infrastructure projects and public transportation under the Recovery Act. The act specifies several roles for GAO, including reporting bimonthly on States' and localities' use of funds. To do this, we are working with officials from all levels of government and the private sector in 16 States, the District of Columbia, and dozens of localities throughout the Nation. Today we issued our fourth report on the Recovery Act. My comments are drawn primarily from that report.

I will cover two topics: first, the use of the Recovery Act highway funding, including the types of projects States have funded and efforts by DOT and the States to meet the requirements of the act; second, the uses of Recovery Act transit funding and how recipients are reporting information on the number of jobs created and retained.

In terms of highway funding, we have found that more than three-quarters of the highway funds have been obligated. Almost half of the Recovery Act's highway obligations nationally have been for pavement improvement, includingresurfacing, rehabilitation, and reconstructing highways. State officials told us they selected these projects because they did not require extensive environmental clearance, were quick to design and bid, could employ people quickly, and could be completed within 3 years.

Other common projects included pavement widening—that accounts for 15 percent of total obligations; and bridge replacement and improvements, which account for 10 percent of obligations. Construction of new roads and bridges accounted for 6 percent and 3 percent respectively.

Although most States' use of funds mirror these national trends, States have adopted different strategies to meet their State's transportation goals. For example, almost 60 percent of Iowa's funds have been obligated for resurfacing, compared to 12 percent in Florida. Iowa officials total us by knocking out the pavement projects now, they hope to free up Federal and State funding for larger, more complex projects in the future. In contrast, Florida is using funds for more complex projects now, such as constructing new roads and bridges.

The level of reimbursements continues to lag behind the level of obligations. This is because it can take 2 or more months after funds have been obligated for a State to bid and award the work to a contractor and to begin the work. Then it make takes month before a State requests reimbursement from FHWA. Once they do so, FHWA is required to pay the State promptly. As is shown in figure 1 in my statement, reimbursements have increased considerably over time.

In April, when we issued our first report, reimbursements stood at $10 million, or 1/10 of 1 percent of the amount obligated. By mid-November reimbursements stood at $4.2, more than 20 percent of the amount obligated.

As you know, the Recovery Act requires that all apportioned highway funds must be obligated within 1 year. Federal and State officials we interviewed are confident that the remaining highway funds will be obligated by that March deadline. However, two factors may affect some States' ability to do so. First, as has been mentioned in this hearing, State and local governments are getting good deals in awarding contracts for less than the original estimated cost. Every State we contacted awarded at least half of its contracts for less than the original cost estimate. This allows the States to use the savings for other projects, but they must be identified quickly. In the weeks ahead, FHWA and the States have the opportunity to exercise diligence to both promptly seek the obligation of known savings, and to identify projects that make sound use of Recovery Act funding.

Second, obligations for projects in areas that receive suballocated funds, while increasing, are generally lagging behind obligations for statewide projects and lagging considerably behind in a few States. The Secretary is to withdraw highway funds, including suballocated funds, which were not obligated before March 2, 2010. These funds will be redistributed to States that have all of their statewide funds obligated. However, States that do not have all their suballocated funds obligated will be eligible to receive redistributed funds.

We also report today on the maintenance-of-effort requirements in the States. This important provision has proven to be more complicated than anticipated, and some States will have difficulty meeting it.

Turning to transit, the majority of transit funds have been obligated. For example, of the $6.9 billion apportioned under the Transit Capital Assistance Program, almost $6 billion has been obligated as of November, with the vast majority being for upgrading transit facilities, improving bus fleets and conducting preventive maintenance. Many transit agency officials told us they decided to use Recovery Act funding for these types of projects since they are high-priority projects that support their agency's short andlong-term goals, can be started quickly, improve safety, or otherwise would not have been funded.

Finally, we did find some confusion among transit agencies and bus manufacturers regarding the suggested methodology for calculating the numbers of jobs created or saved through bus purchases.

This could call the reliability of such information into question. We have previously recommended that OMB work with the recipients to enhance understanding of the reporting process, and that DOT continue its outreach to State DOTs and transit agencies to ensure recipients of Recovery Act funds are adequately fulfilling their reporting requirements.

Mr. Chairman, this concludes my testimony. I am happy to take any requests you may have.

Mr. OBERSTAR. Thank you very much. Your entire statement will be included in the record.

Mr. OBERSTAR. Secretary Ridley.

Mr. RIDLEY. Mr. Chairman, Members of the committee, I am Gary Ridley, secretary of the Oklahoma Department of Transportation and Chair of the Construction Subcommittee of the American Association of State Highway and Transportation Officials, or ASHTO. I want to thank you for ensuring that the Recovery Act included substantial funding for transportation investments.

Today I want to present three points. State departments of transportation have delivered on the promise of quickly putting recovery funds to work in creating jobs. Also, State DOTs have identified an additional 9,500 projects valued at $70 billion that could be quickly advanced, creating and sustaining thousands of jobs across rural and urban areas in all States.

I want to share the lessons learned from the Oklahoma Department of Transportation secretary's successful experience in implementing the Recovery Act. First, States have been successful in quickly putting funds to use. As of this past Monday, according to the Federal Highway Administration, more than $21 billion, almost 80 percent of the ARRA highway dollars, have been obligated, with some 5,400 highway projects valued at $14 billion under construction in every part of the country. Ninety-five percent of these projects approved by the Federal Government or obligated have moved quickly to bid, and 80 percent to contract award. Hiring, material and equipment orders begin once the contractors know they are the successful bidder.

Funding made available by the Recovery Act is having a positive effect on jobs and the economy. ASHTO recently completed a survey of its members to assess additional transportation projects that States could quickly get under way, obligated in 120 days and put out to bid and under construction shortly thereafter. States identified an additional 9,500 highway, bridge, transit, port, rail and aviation projects, again worth over $70 billion, that, if funded, could be used to create these hundreds of thousands of jobs across the country.

Finally, I would like to share a few lessons learned from the Oklahoma Department of Transportation's successful experience in implementing the Recovery Act and getting projects out the door and on the ground quickly. Oklahoma received $465 million in stimulus money for transportation projects. I am pleased to report that we have obligated 90 percent of our highway funds earlier this month, and have 83 percent under construction, and 13 percent are completed. We have moved much faster than the law required.

We attribute our success to two critical components events. early planning. We began preparation several months in advance of the legislation, undertaking engineering work, coordination with our MPOs and county commissioners to select projects to advance if funds became available.

In order to comply with the enhanced transparency, accountability, and oversight requirements, we implemented an intensive risk management strategy. Under this approach, for example, we only allowed ARRA funds to be used for direct construction, and we split-funded projects so that any cost overruns, change orders would be funded by other sources.

I want to add that we have used the ARRA funds for a number of large, complex, multimillion-dollar projects, as well as for smaller, simpler, rehabilitation projects. One large project in Oklahoma is a $70-plus million improvement to Interstate I-244 in downtown Tulsa. This project required closure of the interstate to facilitate pavement replacement and the rehabilitation or replacement of approximately 40 interstate bridges.

In a 10-month window since the enactment of the Recovery Act, the Department has paid out more than $240 million to construction contractors, which represent more than 50 percent of the ARRA funds available. We have and just completed an annual rebalancing of our 8-year construction work program. Because of the ARRA funds, we were able to accelerate many projects, thus creating an ARRA domino effect, if you will, that accelerates other projects ahead of existing schedules and enables us to advance new critical projects into the program.

Thank you, Mr. Chairman and Members of the committee, for including transportation funding in this Recovery Act, and your leadership and commitment to the Nation's transportation infrastructure. The Recovery Act has clearly demonstrated that transportation infrastructure investment delivers jobs and boosts to the economy. State DOTs have, again, proven that we can deliver on our commitments.

We are encouraged that the administration has endorsed additional funding to continue modernizing our transportation network as one means of accelerating job growth. We applaud the efforts under way in the House and Senate to come up with an agreement on a job growth package that includes infrastructure funding.

Mr. Chairman, one-time infusion of unanticipated funds are always welcome, and we have proven that we can deliver on our commitments; however, I would be remiss if I did not mention the need for a growing, consistent, long-term Federal investment strategy that identifies and considers all possible revenue sources.

I would be pleased to answer any questions you may have.

Mr. OBERSTAR. I want to thank you for that comment. You are not remiss. You have done the right thing. That is what we need to do, what the Congress needs to do. I will send your statement to the White House.

Mr. Calabrese.

Mr. CALABRESE. Chairman Oberstar, Congressman Shuster, I want to thank you for allowing me to be here. My name is Joseph Calabrese. I am the general manager of the Greater Cleveland Regional Transit Authority. I have been asked to provide testimony regarding my Authority's utilization of the American Recovery and

Reinvestment Act funds and also talk about the future funding issues facing public transportation.

RTA is a multi-modal transit agency operating bus, light rail, heavy rail and BRT, serving about 200,000 customers on a typical weekday. RTA has been allocated $45.75 million in ARRA funding from two sources: $34.57 from the urban formula, and $11.2 million from rail mod. By filling the gap in eight previous grants, the $45.75 million has allowed us to invest over $65 million in stimulating the economy. We have also dedicated 10 percent of the urban grant formula to operating assistance to preserve needed jobs at RTA.

To date we have contracted or awarded 109 contracts on 15 projects, $48.4 million, with $23.9 million being ARRA funded. An additional $5.3 million of ARRA contracts are scheduled to be awarded next Tuesday at our board meeting. I am very pleased to announce also that 22.6 percent of the contract value was awarded to disadvantaged business enterprises.

In the latest monthly report to the committee, it was documented through October 30 we have preserved or created 524 job months of labor, over 90,000 labor hours, and over $2.4 million in payroll. The majority of our projects by far have been state-of-good-repair projects on our rail systems. Others include construction of a transit center and the purchase of 35 transit vehicles that produced jobs in both Kansas and Ohio.

I would like to highlight four projects for you, but it is important to say that none of these projects would be in the ground today without the ARRA funding. I have got some pictures in my testimony of both renderings and construction in process.

The first is a the 40-year-old station called the Puritas Red Line station, which is in major need of repair and infrastructure improvements. The construction bids were received April 2, contract awarded April 21, construction started on June 1; $5.3 in ARRA grants, plus $6.3 in existing grants to fund the project, which will be complete by the end of 2010.

The East 55th Street rail station will improve a 50-year-old station that serves all three of RTA's rail lines. Construction bids were received on June 10, contract awarded June 30, construction started on August 10; $5.8 million of ARRA grants were combined with $5.7 of existing grants to fund that project. You can see some renderings and also some construction under way.

Kind of an interesting project is one of our uses of ARRA funds which is the rehabilitation of 40 20-year-old rail cars. A unique feature of this project, it is being used as a nucleus for RTA's apprenticeship training program. We have four skilled supervisors training 15 apprentices on this job, and they have the ability to take jobs in our rail shop when this project is over. Again, a really good way to move them up in our organization and increase skill levels.

The last project I want to highlight is a special one to me. It is called the Stephanie Tubbs Jones Intermodal Transportation Center, named for the former Congresswoman, who was a strong supporter of public transit. The center will be a clean, safe, and first-class facility that will serve over 500 buses and thousands of customers daily. Construction bids were received on July 13, contract awarded on July 28, with the groundbreaking taking place on September 10, which was, by no accident, Stephanie's 60th birthday; $4.4 million of ARRA funds and $4.9 million of existing grants, including earmarks supported by Stephanie, are used for this project, which will be completed in 2010.

I want to take 1 minute to talk about the importance of operating funds used as part of the ARRA. My premise is, Congressmen, that a job is not just a job, and some jobs are more important than others. We were able to save 57 jobs through use of the ARRA funds, but that is only part of the story. These 57 bus operators doing their normal job take over 5,000 people to work and back every day, so helping them preserve and retain jobs. Again, a tremendous return on investment.

The future does not look particularly good. In 2009,RTA's primary funding source, the local sales tax, will be $20 million below last year's level due to the recession. Despite our best efforts, we are looking at a 12 percent service cut in April, which will result in job loss by our agency and by our customers.

We urge you to reauthorize the transportation bill at the highest level of investment possible, and to allow new funds or greater flexibility in funds to help address operational pressures. I know it is something that has been discussed in the past, but something that I think needs to be revisited certainly once again.

With respect to ARRA investment across the country, you have heard from the Federal Transit Administration a very high percentage of funds have been obligated. We think that is great. Funds have gone to projects such as rail mod, the purchase of 12,000 new buses, construction of bus facilities, preventive maintenance, and expansion of light-rail systems. A recent report on public transit investment found that for every billion dollars of Federal investment yields 30,000 jobs. Along with APTA's survey, which identified more than 15 billion ready-to-go capital projects, this means that more than 450,000 new jobs can be created or supported with some investment. Clearly, any legislation designed to create jobs must have a strong public transportation component.

I thank you for your time.

Mr. OBERSTAR. I agree with your latter point and grateful for the other information that you provided us. Thank you very much.

Ms. Andolino.

Ms. ANDOLINO. Thank you, Mr. Chairman, Congressman Shuster. My name is Rosemarie Andolino, and I am the commissioner of the Chicago Department of Aviation. On behalf of the American Association of Airport Executives, I appreciate the opportunity to testify before your Committee to discuss stimulus funding for airports.

First, allow me to thank you for this committee's work and support of the American Recovery and Reinvestment Act of 2009. I would also like to thank the Members of the Committee for passing the FAA Reauthorization Act of 2009 with a critically needed increase in the passenger facility charge cap.

The Chicago Department of Aviation owns and operates O'Hare and Midway International Airports. Together they handle more than 82 million passengers annually, with service to more than 230 cities worldwide. Our airports are major economic generators for the region, generating nearly $45 billion in economic activity and

540,000 jobs. Mayor Daley's plan to modernize O'Hare will create an additional 195,000 new jobs for our region and add an additional $18 billion to the Chicago region's economy.

The Recovery Act included $1.1 billion for ready-to-go airport construction projects. Airports nationwide are using the additional AIP funding to improve their facilities and stimulate the economy through good-paying jobs. The FAA should be commended for issuing the grants so quickly. The agency's prompt actions have allowed airports to move ahead with their infrastructure projects and create jobs for their local communities.

Chicago received $12.3 million in Recovery Act funding for runway improvements at O'Hare. The projects are substantially complete and will improve runway operations and increase efficiency at O'Hare and throughout the national aviation system. The stimulus funding allowed us to proceed with additional work that produced benefits beyond those provided by the O'Hare Modernization Program. Our contractor has recorded a total of 33,300 manhours on this project through October, enough to employ 35 full-time direct jobs over this period.

The Recovery Act also temporarily eliminated the alternative minimum tax penalty on airport private activity bonds. This tax provision is helping airports move forward with critical infrastructure projects that had been delayed because of the collapse of the bond market. Thus far, airports have issued more than $5 billion in bonds that have benefited from AMT provisions. They save more than $600 million.

Mr. Chairman, as Congress begins to consider a new legislation to help create jobs, we encourage you to include provisions that will help airports move forward with key infrastructure projects that reduce their financing costs. First, we encourage Congress to include substantially moreAIP funds in the next jobs bill. AIP funding would improve aviation safety and help airports prepare for future demand. The additional infrastructure projects would also help stimulate the economy by creating jobs.

Second, we urge you to work with your colleagues on the House Ways and Means Committee to take the next steps and permanently eliminate the AMT penalty on airport private activity bonds. A permanent AMT fix would help save airports billions of dollars.

Third, Congress can help stimulate the economy by passing a multiyear FAA reauthorization bill that will raise the PFC cap to $7.50 and index it for inflation. Raising the PFC cap would help airports across the country. In Chicago, it will assist us in funding the completion phase of the O'Hare Modernization Program. Thus far the first phase of the OMP has created on average 1,400 jobs a year. Increasing the PFC will help us stimulate the economy by creating thousands of good-paying jobs every year for the next 5 years without burdening the taxpayer.

Finally, as we work to improve infrastructure and create new jobs, it is important to incorporate green technologies. At Chicago's airports we have demonstrated that sustainable initiatives are not only possible, they are essential. This year, working with other airports, we released our sustainable airports manual, which focused on sustainable guidelines for airport design and construction, and includes chapters to incorporate sustainability into airport planning, daily operations and maintenance, as well as concessions and tenants. These ongoing efforts will also promote green jobs in our industry.

Now is the time to make investments in our national airport system. With your leadership airports nationwide are receiving critical funding to increase system capacity, safety and efficiency, and making environmental improvements, with the added benefit of stimulating the economy. We are grateful for the support and encourage the Congress to continue these critical efforts.

I am happy to take any of your questions, and I would like to extend an invitation to visit Chicago for a tour of our airport system.

Thank you.

Mr. OBERSTAR. Thank you very much, Ms. Andolino.

Mr. OBERSTAR. Before we get to the questions, I just wanted to compliment airport executives, as I have done AASHTO, the DOT commissioners. Your projects—your colleagues' projects went out faster than the highway projects because there is something that I am going to ask you to explain in the contracting authorities that airports have that they can take the bids, and award the bids, and hold the prices for a period of time, and that is how they got those projects out so fast. We will come to that later.

I am going to ask Mr. Shuster to do the introduction of our next witness.

Mr. SHUSTER. Thank you, Mr. Chairman.

It is a pleasure to have not only a good friend and a neighbor, but really one of the operators of one of the premier companies in Pennsylvania, central Pennsylvania, New Enterprise Stone and Lime. It started in the little town of New Enterprise, a very small town—I don't think there are a couple hundred people that live there—but it has grown to be a prominent Pennsylvania company, grew into a regional company. Now it is a national company, and a lot of it has to do with our next witness, who is the chief operating officer. He has been a prominent voice in the State of Pennsylvania on issues of highway funding and transportation, and now he is on the national stage.

I don't want to put too much pressure on you, because when I see you for the holidays, you will probably get back at me somehow.

Welcome, and we are looking forward to hearing your testimony.

Mr. OBERSTAR. He wouldn't do such a thing.

That is a wonderful introduction.

Mr. Gerlach, do you want to pile on?

Mr. GERLACH. I would just echo Congressman Shuster's comments on the leadership of Mr. Van Buren in highway construction issues in Pennsylvania. He is known as not only within his own company's right, but also within the State association a very prominent highway construction leader. We certainly appreciate and prize his comments and his insights into how we can make this a better system for not only Pennsylvania, but for the entire Nation. I am really appreciative of the fact he is here.

Mr. OBERSTAR. Thank you.

Now, Mr. Van Buren, no pressure on you, but with that praise, you have got to do a great job for us now.

Mr. VAN BUREN. Thank you, Mr. Chairman. Now that Congressman Shuster has destroyed my introduction here, I will continue on to the second paragraph.

Thank you for the invitation to speak today. I am here representing the American Road and Transportation Builders Association to discuss implementation of the American Recovery and Reinvestment Act.

As Congressman Shuster said, New Enterprise was formed in 1924 by J.S. Detwiler and his son Paul, and is currently managed by third- and fourth-generation Detwilers. We are a vertically integrated construction material supplier, highway contractor, and traffic safety products and service providers. New Enterprise is the largest producer of aggregate in Pennsylvania and 16th largest in the United States, and is a top 50 heavy highway contractor in the U.S. The age, size, and diversity of our company allows me to offer a broad perspective on the Recovery Act impact on the transportation construction industry.

Mr. Chairman, the transportation components of the Recovery Act are a true success story. The economicdownturn has had a substantial adverse impact on our company and the entire industry. Our sales quantities dropped significantly from 2007 to 2008. Without the Recovery Act's transportation investments, all our markets would have continued their free fall this year. My written testimony includes data that shows stimulus funds have had a significant impact on New Enterprise, the transportation construction industry, and helped to prevent thousands of permanent and early season layoffs by construction firms and their suppliers nationwide.

It is certainly true our industry continues to suffer from the recession and is experiencing disproportionate levels of unemployment. That reality is not an indictment on the Recovery Act, but rather illustrates how much worse our situation could have been.

As of the end of November, $21 billion of Recovery Act highway funds had been obligated, and $14 billion of that amount was under construction. That means two-thirds of the available funds are generating economic activity and supporting employment. Almost 96 percent of Pennsylvania's Recovery Act highway funds have been obligated, and of that amount, more than 19 percent of the work has been completed.

Contractors make employment decisions and purchase material and equipment when contracts are awarded. As such, the economic benefits occur long before the project completion.

New Enterprise has been awarded over $50 million of Recovery Act contracts. Approximately 50 percent was performed in 2009, and the balance will be done in 2010. We have also supplied materials and been subcontractors for a number of additional Recovery Act projects. Although the sales have not reversed the negative sales trends we are seeing in stone, sand, concrete block, and ready-mix, they have certainly helped replace hot-mix asphalt and construction work not being done currently in the commercial and residential markets.

Our firm incurred a 5 percent decline in employment from 2007 to 2008, but this trend slowed in 2009 to 1 percent. Without the Recovery Act-funded work, this situation would have been much worse.

While the Recovery Act has certainly been helpful in the short term, we must recognize this legislation was never intended to be a long-term solution. Absent action on a multiyear surface transportation program reauthorization bill or some other infusion of transportation infrastructure investment, we are looking at marked retraction within the next 2 years. In fact, New Enterprise is projecting declines as early at late 2010.

Clearly, the robust 6-year investment levels proposed by this Committee would be the more ideal move to stabilize and grow the U.S. Transportation construction market. If, however, it is not attainable, an alternative measure that significantly boosts infrastructure investment in the short term and retains the integrity of the Highway Trust Fund can also provide a critical economic boost. In fact, the success of the Recovery Act is proof that our industry has the capacity to take on additional work, complete it quickly, and help reverse unemployment trends. That said, the maximum economic multiplier effect only occurs under a 6-year measure.

We thank the Members of this Committee for your leadership on the Recovery Act and your efforts to deliver a multiyear reauthorization bill. I appreciate the opportunity to testify, and would be happy to answer any questions.

Mr. OBERSTAR. Thank you very much for that splendid testimony, and of course, your complete statement will be included in the record.

And now, in light of the pending votes, I will ask Mr. Shuster to begin the questioning.

Mr. SHUSTER. I will yield.

Mr. OBERSTAR. The gentleman wishes to yield to Mr. Gerlach.

Mr. GERLACH. Thank you both.

I wanted to follow up on a comment that Mr. Van Buren had in his testimony as well as a comment that Secretary Ridley had in his testimony.

And specifically, Secretary Ridley, you indicated that Oklahoma's successful experience utilizing ARRA funds offers lessons that we are able to be sharing with all States relative to the rapidity of moving ARRA funds through the process and getting them into projects.

And I think, Mr. Van Buren, you indicated the same thing of how Pennsylvania's PENNDOT, Pennsylvania's Department of Transportation, has been able to move dollars quickly, get projects identified and get contracts let, get projects underway on the ground.

From those experiences that you have seen in both Pennsylvania and Oklahoma, what long-term lessons are generated from that experience that in the future can help streamline the process, assuming there is going to be sufficient dollars ultimately for transportation infrastructure projects through future pieces of legislation? What are some of the lessons you learned utilizing ARRA funds that can be applied long term to, again, getting projects done expeditiously and more cost-effectively over a long period of time?

Mr. VAN BUREN. Well, I know what we did in Pennsylvania was, the contractors and PENNDOT got together we really compressed the schedule from project conception through project award to project construction. It was a matter of just working with the contractors association and the Department of Transportation to take what has typically been about 180-day schedule, and we were able to knock it down to 60 to 90 days. And it was really just a matter of saying, this is when this project is going to bid and had gotten bid every other week, and they now have been, ever since the stimulus money came in, bidding weekly. And if a project is going to bid on April 7th, that is when it bids. And if it is supposed to go to construction 15 days later, then the contractors knew we were going to be working 15 days later. And it was just that commitment of bringing the parties together and everybody agreeing up front, this is what we are going to do.

Mr. GERLACH. Secretary.

Mr. RIDLEY. Not different than what PENNDOT did. We met with our contracting industry partners early in November, right after the election, because we really felt that Congress was moving in this direction, and we felt it was important for us to get ready. But not only that, as you might expect, in project delivery, it is more than just the bidding of the project and getting it out to contract. All of the prep work that has to go in with the environmental process, right-of-way acquisition, utility relocations, that has to be done prior to the project.

I think a key factor that we have learned in lessons learned is a couple of things. You have to have the Federal agencies be your partners. They have to come to the table willing to move quickly, make decisions quickly, and not delay things. And it is not just the Federal Highway Administration but also the resource agencies, Corps of Engineers, U.S. Fish and Wildlife. Those that play a part in the environmental process and decisions that have to be made quickly in order for us to move quickly.

I think, once the administration says that this is a priority of the Nation to move forward quickly, then I think your resource agencies and your—the Federal bureaucracy, if you will, can move quickly as well. I think government can do good things, and government can move quickly. Sometimes government needs to do just that.

Mr. GERLACH. I thank you both for your testimony today, and thank all the panelists for your testimony as part of this important hearing.

I yield back to the Chairman and my colleague, Mr. Shuster.

Mr. OBERSTAR. Thank you, Mr. Gerlach.

And I appreciate the response from Secretary Ridley and Mr. Van Buren that I think you said it very well, Secretary Ridley, that the Federal Government has to be a partner, has to make decisions quickly, has to engage all the other agencies. And that is what we provide in our long-term surface or 6-year surface transportation authorization bill, an Office of Project Expediting within the Federal Highway Administration and within the Federal Transit Administration, one entity whose job will be to keep these projects moving ahead, bring the parties together, everyone who has a permit.

It is not just the EPA. It is a township officer has a permit to give and someone else has a permit to give. And all sorts of entities have permits to give. Get them all in a room together and avoid this sequential decision-making process. Everyone has a crack, and they take their time at doing it, so that it takes 3 years to do a simple mill and overlay. I am exasperated with that process, and we have to end it. And we can when we get the bill enacted.

And I would like your comments, not now—I mean, on the concept, but I am sure you have a copy of that language from our bill. Give us whatever thoughts you have on how to improve it or make it better, apart from taking certain entities out and shooting them, as someone suggested to us. That is not very helpful.

Mr. Shuster, I yield my time to you.

Mr. SHUSTER. Mr. Chairman, I appreciate your passion, and I, too, hope we can figure out a way to move these projects a lot quicker. I think we have. We must. And I want to come back to that question for the secretary.

I want to welcome the secretary from Oklahoma. I know Mary Fallin was here, and I am also good friends with John Sullivan, who have the highest regard, both, for you and your abilities as the secretary of transportation there in Oklahoma. Thank you, all of you, for being here today.

I wondered, Mr. Van Buren—I don't think I've ever called you Mr. Van Buren before, and it will end after this is over today. You talked a little bit about what your company is doing, investments, and you and I have had a number of conversation about that. Can you go into a little more detail of what you would typically invest if you had a long-term bill, a long-term transportation program in front of you versus what you have been doing? Because I think the thing that you can bring to light is the ripple effect through the economy. So if you can talk a little bit about that.

Mr. VAN BUREN. Sure. What ISTEA passed, TEA-21 passed and SAFTEA-LU passed, when those three bills passed, the first 2 or 3 years in those bills, we expanded plant capacities in aggregate plants, hot-mix asphalt plants, ready-mix plants, precast plants. We invest knowing that there are going to be predictable funds going into the system.

And what we do now, since with the expiration of the bill and not knowing whether there is going to be a 2-year bill or a 6-year bill, we buy big cases of duct tape and lots of spools of bailing wire, and that is how we fix our equipment. We don't make big investment moves. We don't really know what is going to happen. So we can't bring on college students, which typically we would hire two or three college students every year and start training them to come into our industry. It is very difficult to get kids out of the trade schools and start training them to be operators, and laborers and carpenters, because we have plenty of people on staff who are not fully employed or being fully utilized.

So our training programs kind of sit off to the side. Our capital investments, which are really, you know, they are large trickle-down type things. When we buy a truck, it can be three quarters of a million dollars to a million and a half dollars. That is a big investment. I need know it will be busy for several years before we can actually do the actual acquisition.

In talking to colleagues of mine that work at Caterpillar and some of the other big construction companies, I could drive by their yard, and right now, I could rent any of those pieces because they are all just siting there, which means that the people back in Peoria are not building more trucks, because there are plenty of trucks just sitting out there in rental fleets, which if I were to get a job off of stimulus, that is where I am going to go first. If I don't have it in my own fleet, I am going to rent it from somebody, which means we are not going to build it, which means the foundries are not working. The trickle-down in our industry, the basic industries of aggregate supply and then construction is a very, very long chain.

Mr. SHUSTER. Not that I want you to name private companies, so you may not want to talk dollars, but percentage-wise, what kind of cut or what kind of decrease in capital spending are you experiencing?

Mr. VAN BUREN. Well, I put it in my testimony just because I think it is important, and even though we are privately held, we typically don't go into big—we don't lay our finances out. But I do think it is important that people understand; we would typically spend upwards of $45 million on capital spending. And we are in the $20 million range right now, and that just fixes stuff. It buys a few over-the-road trucks because maybe something just won't run anymore, but the years of placing orders for 10 and 15 over-the-road trucks, and 17 mixers and 3 large dozers, and 5 trucks, we just can't do that without knowing where the funding stream is going to come from.

Mr. SHUSTER. And just one more point, you expressed the training part of it. If you are not training people today, you have cutback on that, all of a sudden the economy turns—not all of a sudden, but eventually the economy turns around and we get a highway bill, how difficult is that for you to then bring it up to speed and have enough workers to do the jobs you need to train them for?

Mr. VAN BUREN. It just makes everything—it just makes the whole system more inefficient; it makes it inefficient. We can have a very efficient system of bringing people on, having older generation employees train younger generation employees, but as I believe someone said earlier, we have the older generation that really is the heart and soul of a lot of this industry, they are retiring, which means I am going to miss, sort of, that generational training piece. We need really 100 percent continuity, bill to bill to bill, as we had in the last three succession of bills. And so we need something soon to show our industry that there is a national level commitment to this, and then we will train, and we will start buying stuff.

Mr. SHUSTER. Thank you.

Mr. OBERSTAR. I don't know if we are going to break now. I would come back afterwards.

Mr. OBERSTAR. If the gentleman would conclude at this point. We will return.

I will yield to Mr. Lipinski.

Mr. LIPINSKI. Thank you, Mr. Chairman.

I want to make this quick, so I want to compliment Ms. Andolino on OMP and especially the thing about green jobs, going green. I have right here the wristband, which not just relating to that, but I know there is also airportsgoinggreen.org, talking about all of the great work being done in creating green jobs; not just jobs, but also, more importantly, green jobs at O'Hare with the O'Hare modernization.

I wanted to ask Ms. Andolino and then open it up to anyone else who might have things to add more generally, first of all, specifically on job creation at O'Hare with the modernization program but also the expansion of capacity, as everyone knows the issue of opening up the capacity at O'Hare is critical for the, not just for O'Hare and Chicago area, but also for the entire Nation in helping to alleviate issues of delays in the system. And so could you give us more information—I know you went through it in some of your testimony—but job creation and additions to capacity that is going on at OMP?

Ms. ANDOLINO. Thank you, Congressman.

Yes, actually, I would be happy to. In terms of capacity, and I will address that first, you know we opened our first new runway at O'Hare in over 30 years on November 20th of 2008. That runway is now yielding us over 22 percent increase in our arrival capacity. So during these challenging times of weather conditions that we experience in the Midwest, we are still able to land three planes simultaneously and during certain weather conditions. So that is a benefit to not only O'Hare but to the national aviation system, because we do impact that entire system.

So we seeing benefits immediately with the addition of that new runway. We have three new additional runway projects to go; one that is currently under construction. So we have been able to keep people working since 2005, when we put our first shovel in the ground on the OMP. We have been employing anywhere between 900 to over 2,000 direct construction jobs annually, during our construction seasons. And, again, that is strictly construction.

In terms of designers, anywhere from 250 designers to over 500 designers have been employed. And that is not all of the other indirect jobs, all of the management, quality control, construction management, program management, financing, the back office of these designers and contractors, and the employees that they pay. So that is why when we talk about the O'Hare modernization program and its ability to then generate up to 195,000 new jobs for our region, it includes all of those pertaining to construction and design and all of the efforts that I have just discussed. But also, in terms of our entertainment business, tourism, restaurants, that construction worker that is working on our program that comes to work every day, he doesn't bring his lunch, or when he does, he is still purchasing it as a store or going to a restaurant in and around our area. And it is that compound effect that keeps people working at the local Starbucks, at the Dunkin Donuts, et cetera. So that is where the 195,000 new jobs comes in over the life of our program.

And we have really been able to keep a stimulus program going in Chicago because our program will go until 2014. And that is why, with the additional monies of the passenger facility charge and if we are able to increase it to $7.50 plus indexing, all airports like O'Hare will be able to continue their programs, their infrastructure programs, without burdening the taxpayer. And so we can continue to keep people employed. The construction industry can knowingly invest in new equipment. We can keep the John Deeres and the Caterpillars healthy in our local region and elsewhere so, that we can keep those jobs and keep some type of continuity and stability to the job industry.

So we are trying to do our part, keep people working. Any additional funds we can get in infrastructure, in the America Recovery and Reinvestment act, we will put those to good use. All of my colleagues at airports will do the same, as well as, as I said, the increase in the PFCs would help us all for the long term keep construction moving to enhance our capacity at our airports that are in desperate need to not only rebuild existing but add new capacity to their airports. Thank you.

Mr. LIPINSKI. I see my time has expired, and we have the votes, so I will yield back to the Chairman.

Mr. OBERSTAR. We have 2 minutes remaining on the vote. We will recess at this point and reconvene as soon as possible after the three recorded votes.

The Committee is in recess.

[Recess.]

[1:54 p.m.]

Mr. OBERSTAR. The Committee will resume its sitting. And while we await the arrival of other Members, I would ask Ms. Siggerud to do a simple ministerial task, and that is to define the term "obligate." It is budget speak. That is an obscure word for most people who do not understand. What does that mean?

Ms. SIGGERUD. Well, I am going to answer that for the Federal Aid Highway program, as you know, "obligate" has different meanings——

Mr. OBERSTAR. That is the context in which I want it.

Ms. SIGGERUD. Yes. What that means is that the Federal Highway Administration has reviewed and approved a project proposed by the State and determined that it is eligible and notified the State that it can in fact spend funds, spend Federal funds for the purpose of that project.

Mr. OBERSTAR. And you said it very well, probably better than I, more precisely than I would have done.

That is very different from putting out to bid——

Ms. SIGGERUD. Yes.

Mr. OBERSTAR. Awarding contracts, having under construction.

Ms. SIGGERUD. Yes. In fact, what we talked about——

Mr. OBERSTAR. It is a precursor term in effect or a precursor action, if you will.

Ms. SIGGERUD. Right. It essentially tells the State that this project is an eligible project under the Federal Aid Highway program, and the State can then go to the following steps that you have just outlined, including advertising for bids, choosing bids and awarding a contract.

Mr. OBERSTAR. Now, under the act, States were given 120 days in which to obligate up to or no less than 50.

Ms. SIGGERUD. Right.

Mr. OBERSTAR. No less than 50 percent of their funds. The House bill required, had a much shorter time frame, a much shorter leash on States. And many objected or raised questions, budget speak people over at OMB raised questions, and in conference, the House relented and gave into those complaints. Have you seen any difficulty in the States being able to meet the 120-day time frame or even a 90-day time frame? Didn't most States get their money obligated well in advance of that timeframe?

Ms. SIGGERUD. Both the transit and highway programs, both of those obligation deadlines were met. There was, of course, the 120-day that you mentioned for highways. And for the transit, there was a deadline in September, as you recall.

Mr. OBERSTAR. Yes.

Ms. SIGGERUD. There is now another deadline coming up March 2nd of 2010. It looks like States are on track to plan to meet that obligation deadline with a couple of the caveats that I mentioned in my short statement, which is that we are seeing, because of these low bid amounts and the contract awards that are lower than the estimates, we are seeing that the States are needing to de-obligate and then re-obligate for new projects. So that is a constantly ongoing process in many of the States that we are reviewing.

As well, there is the issue, in a few States, of those funds that were sub-allocated to metropolitan areas are not being obligated at the same rate as the State DOTs are obligating their highway funds.

Mr. OBERSTAR. Correct. And the first example you just gave is results from bids coming in lower than final design engineering estimates.

Ms. SIGGERUD. That is right.

Mr. OBERSTAR. And the second is because there are some difficulties that we haven't quite identified yet with MPOs that are not able to obligate and get under contract as quickly as State DOTs, correct?

Ms. SIGGERUD. That is right. In general, it does vary quite a bit by State, the extent to which localities handle the Federal Aid Highway program on a regular basis. Some localities have more experience with handling Federal Aid Highway program and complying with its requirements than others. Those that have less experience are generally not obligating as high a rate as others.

Mr. OBERSTAR. Well, in short, then, the MPO issue is an uneven one. Not all are in that category, or some are doing better than others?

Ms. SIGGERUD. Absolutely. We are looking at 17 States, Chairman Oberstar. Of the 17, we have 3 where the sub-allocated obligations are at a much lower rate than the State level. And that is Arizona, Massachusetts and New Jersey. The difference is not as pronounced for the other States we are reviewing.

Mr. OBERSTAR. Those 17 States represent 68 percent of the population.

Ms. SIGGERUD. That is right, 68 percent of the dollars in the Recovery Act.

Mr. OBERSTAR. I will come back to pursue this a little bit. But it is important for us as we proceed to the authorization bill, the Surface Transportation Act, there are some issues that we need to resolve or some problems in operation at the MPO level that we want to use this experience in crafting our legislative language.

Ms. SIGGERUD. Chairman Oberstar, we did actually do a survey of all Metropolitan Planning Organizations for your counterpart in the Senate, the Environment and Public Works Committee, and have some observations on their capacity and some of the issues associated with this. We would be happy to sure that with you.

Mr. OBERSTAR. That would be very valuable. Thank you.

Now I will withhold and recognize the gentlewoman from Oklahoma, Ms. Fallin.

Ms. FALLIN. Thank you, Mr. Chairman.

And let me just say, Mr. Chairman, how smart I think you are because you have invited the secretary of transportation from Oklahoma to give testimony today. So I have always admired you, but now, I admire you even more.

Mr. OBERSTAR. Oh, boy.

Ms. FALLIN. I have to brag upon my secretary of transportation that is here today. He has done a great job for the State of Oklahoma. Now all the other panelists are wonderful, too, not to take anything away from you, but I am proud of my Oklahoma people.

I had the opportunity to read Secretary Ridley's transportation report, and I am very pleased that Oklahoma has been so aggressive and so on top of getting the stimulus money out the door and creating jobs and having their shovel-ready projects available. And they have been listed as one of the top five States in the Nation as being prepared and able to get the money out.

I wanted to ask Secretary Ridley a question, though. I was listening to the deputy secretary talk about the difference between obligations and outlays and the amount of stimulus money that is being spent in the States. I was looking at Oklahoma's figures in particular, and it seems to be about 50 percent of the outlays are now out into the economy versus the obligations, which Oklahoma has a high percentage. Out of the $465 million, we have obligated $420 million, as you testified, almost 90 percent of our money.

But are we getting the money back to the contractors, those who have been awarded the contracts for the road projects, in a timely fashion from the Federal Government, the obligated versus the outlay money?

Mr. RIDLEY. Congresswoman, and I think it can be attributed to several factors: One, that we were able to move very quickly when the money became available on the 2nd of March. As the Chairman pointed out, the States had the responsibility that a certain percentage of those monies be obligated within 120 days after the money became available.

In our case, we had to have approximately $163 million obligated in 120 days, but we were able to open bids on over $200 million worth of projects in 19 days. So moving quickly early on enables you to have a good, strong construction season, and that is what we targeted. We thought it imperative to, even though Congress had allowed us more time, we felt if you really want to create jobs, you must do it during the construction season and take advantage, full advantage, of that construction season.

Consequently, by now, a lot of the projects have been completed. More than 50 percent of the dollars that were allotted to Oklahoma have been paid to contractors. They have met specifications. We have built—they built the jobs as we have prescribed and as they bid, all the testing has been completed. And we are in the process of billing the Federal Highway Administration, because it is a reimbursement account, but we are at about $240 million, which is a little over 50 percent of the money. And I think it is attributed because we moved very, very early in the process. We took the Chairman and this Committee and Congress and the President very serious on the issue.

Ms. FALLIN. The Federal—deputy secretary, excuse me, had talked about how they want to make sure there is good check-and-balance system on sending the money out to those who won the bids once the work is completed. Are they getting their money in a timely fashion from us?

Mr. RIDLEY. Yes, they are. And we feel very confident with that. Part of the checks and balances that we did with the recovery funds is we split-funded all projects. That ensured that we tied a dollar amount, a fixed dollar amount, of stimulus funds to each project. And if there were any overruns, cost escalations, supplemental agreements, anything that you would have in the course of prosecuting the project, which is very common, that they would not be paid with stimulus funds; they would be paid with other funds. That ensures that we targeted the stimulus funds for direct accountability. From conception of the project until it is completed, the dollar amount of stimulus funds will not change.

Ms. FALLIN. Thank you.

If I could ask—is it Siggerud?

Ms. SIGGERUD. Yes.

Ms. FALLIN. I hope I pronounced it kind of close. I know you have been looking at the jobs created so far. Do we feel pretty sure of our tracking method of the stimulus jobs that have been created in transportation, the numbers that you looked at, with our methodology?

Ms. SIGGERUD. We issued a report in GAO a few weeks ago looking at the 1512 process that the deputy secretary described, by which all grant and loan recipients must report. In our work, we focused specifically on education and highway funds. We found that, because of the existing system that is in place, where contractors and State DOTs do report on payroll issues, that there were fewer concerns with regard to the quality of the information provided on the highway side than with some of the other kinds of jobs that are being reported.

We do have an ongoing obligation to report quarterly on this job creation reporting system. We are going to be drilling down into some of the issues that we found, for example, dollars with no jobs or jobs with no dollars, try to understand what is causing those kinds of data errors. We have also made a number of recommendations to OMB about how to make it easier for the recipients to report accurately.

Ms. FALLIN. Thank you, Mr. Chairman, I appreciate the extra time.

Mr. OBERSTAR. I appreciate your comments at the outset.

You may have overstated some things, but Mr. Ridley was selected because it was felt that Oklahoma has a great story to tell. And we asked AASHTO to recommend also a witness, but I thought that Oklahoma being right up at the top would have some good words of wisdom for us, and thank you.

You may be working for Ms. Fallin if things go her way.

Mr. OBERSTAR. Mr. Shuster, do you—and I also want to observe that Pennsylvania is number seven, just by a hair, in our ratings, but that is also because you had commissioner Al Biehler, who was the president of AASHTO for the past year and who really made things hum.

Mr. SHUSTER. He does a great job for Pennsylvania.

Mr. OBERSTAR. Yes.

Mr. SHUSTER. I wanted to probably ask four of you, Secretary, and the different transit authority, aviation, and of course the private sector, what kind of—we talked a little bit about it. The secretary touched on the speed to get projects going, get them turning the ground, getting projects out there and getting people working. What are the types of things that you see we can do? And you mentioned about when the State and the Federal and the local government gets serious about it and focused on it. Can you talk a little bit about that, what we need to do and how we can solve the problem of slow movement on these projects?

Mr. RIDLEY. Congressman, I think if everyone realizes that this is a priority of the Federal Government and certainly a priority of State government, then things can happen very quickly.

The Chairman had a tragic event that took place in Minnesota, and everyone stayed focused on that endeavor to put that bridge back, and it moved unbelievably quick.

We had a similar experience, and we were contacted by the Minnesota DOT shortly after the bridge went down. A bridge on Interstate 40 back a few years ago, a 500-foot long span of interstate bridge that had been knocked down, we were able to put that bridge, from the time it went down until the time we cut the ribbon on it to open it up was 64 days, 2 hours and 40 minutes. You can do that if you stay focused and if you stay focused on the task at hand.

Let me give you one simple example, I think, that can work, that did work for us anyhow, in the recovery plan. One of the things that the gentlewoman to my right had mentioned is the sequence of events that take place, that you have to have a project authorized, obligate the funds, authorized by the Federal Highways, before you advertise, collect bids, award the project, and then construction starts. But some of that can be done at the same time. You can advertise; I think the Federal Highways has the authority to do so, and they allowed us to do under the stimulus package. You can advertise prior to the project being authorized, as long as you don't take bids or award the project until it is authorized. That enables you to move up sometimes as much as 30 days. That 30 days may not seem like much, but if you think about that is 30 days of construction time in the heat of the summer and the amount of work that you can get done with an extra 30 days of summertime construction season as opposed to waiting 30 days and now you are into the winter months, and now a day in the summer is worth 3 or 4 days in the winter for construction.

So just that simple event can save you an unbelievable amount of time if you are looking at it, not on one project, but on your whole realm of projects that you do. So just, again, I think there are things that if agencies can come together and really get serious about it, I think you can find that there are some ways to still do all the things that need to be done but do them quicker.

Mr. SHUSTER. Ms. Andolino, she is nodding her head vigorously. Why don't you comment on that?

Ms. ANDOLINO. Well, I think there are a lot of the same synergies in both aviation as well as in the highway. One of the things we were able to do is, the FAA got their message out quickly. And so the collaboration and the communication was extremely important. They handled it as if the stimulus money or the Federal Recovery Act money, the same way in which they handled AIP funding. So we knew going into this that this was going to have to be DBE Federally funded type of a job. We added that component to an existing bid that we were putting out on the street; kept it separate with the other types of funding that we also were using towards this job, whether it was general revenue-backed bonds, passenger facility charge funds, or AIP funds, and now you had another component, which was the American Recovery and Reinvestment Act, and for us, it was the 12.2.

So using that methodology, we were able to keep things moving, we were able to advertise, bid, and award. We kept that award separately until we then received actual approval from the FAA to say we could move forward and we were awarded the funds, and it was fully funded. So that job was completely funded, and we were able to move forward. So the communication was key and the continuity of how they do their other job, so nothing really changed. There was a change in the sense of some of the reporting, additional reporting that they required, but the bidding process itself was the same, which was good for the end user, us.

And that continuity was, again, extremely important. If it continued with additional monies, we would appreciate that, but what could also help, as I said in the statement, was getting additional funding, like the increase in the PFC. So I think what is really important is that long-term benefit to the working person; being able, for the contractors to be able to hit the ground running and purchase their materials. Because our contracts, in many cases, some were $150 million bids, and some were $2 million or $1 million. So we have a lot of work going on under the O'Hare modernization program. And more work as part of or CIP, but for the contractors, they need to be ready to go. They need the stability. So the interest in the PFC provides that stability because the airports can put forth their plans, their long-term plans, and contractors can respond more holistically.

And I think one more thing to note is that, when we first broke ground on the O'Hare modernization program in 2005, it was hard to get one or two bidders. We usually got, we got one, and then we were always praying for two because it was a much more competitive price. In 2008, when we bid out our 210 center projects we had an upwards of 5 to 6 bidders on these jobs. And on smaller jobs, ones that were under $100 million, we had in some cases close to 10 bidders in the current environment.

So that just shows, to the Chairman's statement before, there is a ton of capacity out there. These contractors need the work, and as an end user, when you see that many bidders and the change so rapidly from 2005 to 2008, you know that they can handle additional work. And all we need to do is provide them the funds.

Mr. SHUSTER. Mr. Calabrese.

Mr. CALABRESE. Thank you.

Really going to add not much new to the situation. I think the situation for public transit for our agency was the same, function of communications, prioritization with our partners, primarily the FTA and the local MPO. On the bidding situation, exactly the same. One, two, three bids were probably more the norm, and as time went on, certainly last year, more and more bidders and better competition. The only delays we had were because bids were coming in so low, and we were moving more projects up to the first tier, we had to do amendment changes to allow that to happen. That did take some time, a little learning curve in the process. So far the process has been very smooth and working better as we move on.

Mr. SHUSTER. Mr. Van Buren.

Mr. VAN BUREN. I will just speak to the capacity issue there. I did a job last Thursday with 17 bidders on it. It was a $3.2 million bridge job. We are doing that every week.

Mr. SHUSTER. Where are they coming from?

Mr. VAN BUREN. There are coming from, as the Chairman pointed out I think earlier, they are coming from other market segments. If you are not going to be able to build a sports stadium or a build a parking garage or build an office building, you have the structural people to be able to build public bridges, and this was a bridge project.

But we are seeing it on the blacktop projects as well. If you are not going to build a shopping center or a residential subdivision, then you have the paving crews available. So jobs that we would normally see two or three bidders on, we are seeing six and eight, on the paving side of things. On the construction side of things, there are probably two or three extra bidders. And on the bridge side of things, pretty consistently since the beginning of this year, we have been seeing numbers in the teens, which, you know, speaking on behalf of the industry, I think that is a wonderful thing. I think it keeps the system going.

But the unfortunate thing is, when you have 17 bidders and only 1 job, only 1 person walks away with work. And you have 16 other bidders that clearly wanted the work when you look at the pricing of the job. You can have times where there are 10 bidders, and the last 8 bidders weren't nearly as interested in the job as the first 2 bidders were. But in this scenario, you are seeing at least half or more of the bidders very, very interested in trying to keep their employees busy, and that is what is happening out there right now.

Mr. SHUSTER. Thank you very much.

Mr. OBERSTAR. That is very, very instructive testimony, and very important questions, and I thank you for raising those issues.

I want to come back, Ms. Andolino, is there something—I cited this earlier, that there is something different in the way in which airport authorities advertise for bids. They have broader authority than State DOTs have on the highway program. Secretary Ridley a moment ago said, we can advertise. We can receive bids, but not award bids, and that saves us 30 days time at least.

Several of the airport authorities in my district said they can even award the bid, but you just can't start working on it. They can hold that bid; they can get the contractor to hold that price for up to a year. Is that a common practice, or is that just unique to Minnesota's experience?

Ms. ANDOLINO. What it is unique to is the authority component. Chicago O'Hare is a city entity. It is not an authority, so we go by the city's municipal code. So we have to, as well; it is a design, bid, build, and you have to have full funding when you go to advertise. So you have to have all the money in the bank in order to advertise even for, so they can guarantee the work will be paid. So our process is different than authorities.

But on bid holding, in a robust marketplace, and I am sure Mr. Van Buren can probably attest to this even further, a contractor would be a little bit reluctant to hold the bid for more than 6 months in many cases, especially during the time frame of the high and robust building season, when steel prices fluctuate, wood, as well as fuel. They wouldn't hold a bid for too long, depending on what the raw materials were.

In this marketplace, what we are seeing today is, and we actually had to ask a contractor at one point, due to some litigation we faced in our acquisition area, to hold a bid for a longer period of time, greater than 6 months, and they were more than willing to, due to the fact that if he lost it, he lost work. And therefore somebody else then could obtain that work, and I don't think he was willing to put his people out on the streets. So he was willing to hold it for a greater period of time than what you normally would see. So this marketplace, I think, is what will determine that.

And we saw, again, in 2008, the numbers, our engineers' estimate on the OMP, those bids came in well under our engineers' estimates, because that is when the market started really changing. And again, you had much more competition because people that maybe normally didn't bid on a lot of government jobs, perhaps because they did more private-sector work or they were doing a lot of the vertical versus horizontal work, started repositioning their business planning, getting into the market where there was work. And you saw new entrants. When we got 6 bidders on some of our over $100 million projects, that was very, very rare for us. And some of them were names we had not seen in our marketplace before in our types of bids.

Mr. OBERSTAR. That is all very valuable and very important information. As I said earlier, I am going to, as soon as this transcript is printed up, which I hope will be in the next day or so, I am going to send it—we will have it hand carried over to the White House so they can see and understand what is happening in the real world. There are some people who are not living in the real world, and they have got to get them out of their limousines and make them walk.

Anyway, the additional factor is that you are creating capacity at O'Hare. By improving runways and taxiways at smaller airports, they are also creating additional capacity, even in this downturn in the economy, that will be available when things start turning around. You can't just go back and rebuild these projects overnight. So you all are going to be ready.

Mr. OBERSTAR. Secretary Ridley, it was very instructive to hear you say the State DOTs could advertise, receive bids, hold the award, save time, from my notes of your comments. Did your DOT staff continue their work on the 80-20 program? Was their work on your regular program in any way impeded, slowed down, staff deterred from their work by this additional layer of projects?

Mr. RIDLEY. No, sir, we did not. We were able to let all the projects scheduled for Federal fiscal year 2009; they were all let on time. The key was that we did not hire additional staff at the Department. What we did was take advantage of the private sector. We hired several firms to provide us plans to get ready for the Recovery Act. We did that in October or November to get ready for the piece of legislation that we really knew was going to happen or that we really thought was. But it didn't hurt us to go ahead and design and have them ready to go, because they were all projects that were in our 8-year construction program. So if nothing happened here in Congress, we would have had projects on the shelf, ready to go for the future. So it wasn't an expense that we would have lost.

The other advantage, Mr. Chairman, if I might, that we don't talk about a lot and I don't hear much about is that all States, and I would imagine it would be similar to us, that they had projects in the queue in their 5-year plan or 8-year plan—we just happen to have an 8-year plan—that when we moved all of the projects that we were able to fund with stimulus funds that were out there 3, 4, 5 years in the future, move them all forward, that enabled us to take other projects that were in our 8-year plan and move them forward as well, even though they weren't funded with stimulus funds, but it created holes in our plan that allowed us to move those forward; at the same time, add additional critical projects to our 8-year plan.

It was kind of like a domino effect. It wasn't just the projects that we did with the stimulus funds that were affected, but it was all the other projects in our 8-year construction plans were affected as well, and by adding additional work.

We rebalance our program every year, and we were able to do this last summer. It really was a benefit to the State.

Mr. OBERSTAR. Thank you. I think that is an excellent explanation and instructive for where we go from here, but I also liked your observation that you really believed that we were going to do something.

We moved a bill in this Committee early in 2008, moved it through the House floor at $60 billion, half of which was our committee's work. Regrettably, the previous management at the White House said they would veto the bill if it ever got to the President. And then we had an election and reaffirmed the work that we were doing.

So all of you DOTs, your colleagues all around the country, said, This is for real. We will gear up. We had meetings in December out here. Our Committee and I participated and I met with Mr. Beeler, who was head of AASHTO at the time, and he brought DOT secretaries from around the country, laid out what we expected of you. And, to your credit, you moved ahead. We did the same with Associated General Contractors, did the same with the airport authorities.

So coming back to how you get these projects out fast, that is one way to do it; have a hundred percent Federal funding, have an expedited program timeframe within which to do it. I think the "use it or lose it" proposition also scared some people. We don't want to be held up to ridicule.

Our Governor a few years ago, Jesse Ventura, gave $175 million back to the Highway Trust Fund because he failed to do some things. We looked like the Good Will Industry of transportation. It was absolutely absurd. And I know that others didn't want to repeat that experience.

And then the third lesson, you mentioned the I-35W bridge. Tom Sorel, our commissioner, and for whom I have enormous regard, did something very unique. The contractor, Flatiron Construction, rented a building near the job site, about two blocks from the job site, and they took a whole floor and on one end of the floor was MNDOT, in the middle was the Federal Highway Administration district engineer or division engineer from Minnesota, in the other end was Flatiron. When they had a problem, they simply walked the plans from one end of that corridor to the other and sat down and said, How do we fix this, how do we get this done. They didn't send memos, they didn't send couriers. Their top engineers walked from one end of the corridor to the other, talked with each other, or met halfway, and they resolved it right there.

There is a lesson for us for the future of transportation. It is not good enough just to site this project, this bridge rebuilt, or yours in Oklahoma, which Ms. Fallin told me about, including right after our Minneapolis bridge collapsed. We have been through that. We can help you with that. She had some good ideas. But some way, somehow we need to incorporate that experience into our future Surface Transportation Assistance Act.

Mr. RIDLEY. Mr. Chairman, that is correct. The lessons learned in a stressful situation, in an emergency, if you will, should be lessons learned that you use on a routine basis. The work that your State did, hopefully the work that our State did, the Queen Isabella Causeway in Texas, the disasters that they have had in California, and the way State DOTs can react to emergencies is the same type of focus that needs to be on everyday problems.

Mr. OBERSTAR. That is excellent. Help us with that. What are your ideas? You may want to talk to Ms. Siggerud and share your experience. We need all the help we can do because we want to do this thing right. You also said you did a few large, complex projects, if I quoted you rightly. Did you have any difficulty getting those large, complex projects under contract?

Mr. RIDLEY. No, sir. Two of the large projects, one was for about close to $60 million, the other one was a shade over $70 million. We were able to let those to contract. You all provided us the funds that were available on the 2nd day of March. And those projects were let out to build, I believe both of them, within 45 days after the money was available.

The key in each one of those was that we did not have to acquire any right-of-way, move any utilities. The environmental process we did very quickly. Because of that, consequently we could rebuild, and that is what we are doing, rebuild interstate, on its existing footprint and rehabbing or replacing, on one project, 40 interstate bridges, a major project in an urban area in the City of Tulsa that is ongoing, and we fully expect to have that project completely completed by this time next year. Again, it is about a $75 million project.

Mr. OBERSTAR. That is good to hear, too. You said moving projects forward in your 8-year plan creates holes into which you can move other projects for longer term construction and bidding process. What percentage, just roughly—I won't hold you to it, because off the top of your, obviously—of your state-of-good-repair projects do you think you will have been able to complete through this period of the stimulus funding?

Mr. RIDLEY. On the State system, Mr. Chairman, we estimate about 80 percent of our projects are major reconstruction, rehabilitation, or replacement. Twenty percent of the money spent was on either pavement preservation projects, asset preservation projects, if you will, the ones you talk about to put in good repair, but it was about an 80-20 split on the State Highway System.

Mr. OBERSTAR. Will you have drawn down your portfolio of those state-of-good-repair projects, a good portion of it, by the end of this Recovery program?

Mr. RIDLEY. If I understand the question right, will those projects be completed?

Mr. OBERSTAR. No. Will you have taken them off your inventory?

Mr. RIDLEY. Absolutely. We have two programs. One is asset preservation and the other one is our 8-year construction program. Absolutely, sir, those were all projects that were in the queue.

Mr. OBERSTAR. I know in the language of the trade you call it critical asset preservation. I call it critical asset investment in my transportation bill. We are creating for the future. We take these 108 categories of Federal programs, compress them down into four formula programs, one of which is critical asset investment, which is something I have heard for 20 years from every State DOT in the country. We have this big backlog. We want to draw that down.

So now you have got the money. You have had them designed for years at some stage or another. Now you are getting those accomplished. And what I want to know for the future is how much of that is going to be left, or do you still have an awful lot on the shelf needing to be done?

Mr. RIDLEY. Mr. Chairman, Oklahoma has a great backlog of transportation needs.

Mr. OBERSTAR. And you expect that is about the same for other States?

Mr. RIDLEY. I would imagine so. When we built the interstate system—I was part of that in the sixties and the seventies—and we forgot it. And we built it and we kind of forgot them. Our interstate system in some areas, not only in Oklahoma but other places around the country, is an embarrassment. Certainly, the bridges that we built on the interstate system back during that time are of age and require major rehabilitation and, in some cases, replacement.

So it is a daunting task that all of us face, not just in Oklahoma but throughout the country, to invest in the system. It is certainly our belief that the Federal Government needs to have a hand in both the financial responsibilities and direction of the national system. I think that lessons learned there are the same lessons that were learned in the early fifties, late forties, when it was decided that we needed a national system. We have that similar problem today on the highway system, but it is a matter of rebuilding it now.

Mr. OBERSTAR. That is very helpful and a very, very thoughtful response. We didn't forget. We built the interstate over 50 years and then most of the traveling public thought it was built forever. Like the Romans and the Appian Way. There was a bridge in the heart of Rome that was built 2,300 years ago. It is still in operation. But it is only the width of a horse-drawn carriage. It is built of marble. It hasn't been destroyed by earthquake or acid rain or salt or snow or freeze-thaw cycle, which we all have to go through.

So there are some structures that do last near eternity, but for the rest of it we have got to rebuild it. Every year we have to replace about 15 percent of the interstate.

Now, Mr. Calabrese, transit operating funds is a vexing issue. In the Recovery Act we had a provision allowing 10 percent of transit capital funds to be used for operating assistance. There is an appeal for raising that threshold. To what level would you think?

Mr. CALABRESE. Well, Mr. Chairman, let me first say that the allowable 10 percent was a Godsend, for the reasons I mentioned previously. I know there are both tremendous amount of infrastructure needs out there, particularly good state of repair, and the operating needs. I think you want to keep the amount of flexibility in funding both reasonable and predictable.

One idea I had, just an idea, and this is my personal idea, would be at least on a temporary basis—and with the next reauthorization—as we have allowed traditionally the use of capital money for the preventive maintenance of vehicles, if we could classify fuel as a preventive maintenance item, maybe for the electricity to run my trains or the clean diesel to run my buses, that would help address operational pressures. It is manageable. It is predictable, depending on the cost of diesel, which, maybe somewhere in the 5 to 10 percent of the operating budget's range on an annual basis, depending on the system, but that could be something at least as a temporary fix.

That idea came from a frustration I have had in working with our local MPO, that is wonderful. If you are out there, I love the local MPO. But there is often excess CMAQ money available. CMAQ money is a form of money the MPOs have that probably doesn't have as much demand as the STP money, which is broader. I have often felt, Why can't I use CMAQ money to buy clean diesel fuel, because certainly if I am running a bus, I am reducing congestion and improving air quality.

I don't know if that is a legislative obstacle or an administrative obstacle, but the use of fuel which is common, which helps the big systems and the small systems, might provide at least temporary relief until the recession is over.

Mr. OBERSTAR. Thank you for that observation. We have in our authorization bill, there is a tension between the large metropolitan entities and the smaller ones, those 50,000 or less, those under

200,000. The smaller ones want that authority and have a broader authority. Current law will expand that. The larger ones have said, Don't even give us that authority because then our local government says, Oh, use your capital funds and not that revenue that comes out of our local budget to provide operating assistance. So that is something you have to help us with.

Mr. Shuster.

Mr. SHUSTER. Along the same lines, I am looking at some numbers and it appears that Cleveland is the only transit system that uses the maximum amount. Other systems have not used that. Just curious. I think along the same lines I have heard people saying that we want to use them for capital expenditures. My concern is that if we continue to give you more, people are going—transit systems are going to continue to use it for operations instead of getting it from the people that should be paying for operations, and that is the folks that are using the system.

Mr. OBERSTAR. Exactly. I supplement Mr. Shuster's comment by saying the original principle of this partnership was that the Federal Government would help local agencies with the capital account. That is the biggest expense. So then you operate it and you run it out of your own funds. Am I right?

Mr. CALABRESE. I understand. The capital side certainly isn't the major side. I think and I know you do have a lot of respect for myself and my fellow colleagues, because every situation is different. Our situation in Cleveland, as I was just e-mailed this morning, our sales tax is our primary source of revenue. We are blessed with a source of local funds called the local sales tax.

The issue is, because of the recession, we are down $18.9 million from last year. So my choices were very simple: I either cut an awful lot of service, lay an awful lot of employees off, and prohibit a lot of my customers from getting to work, or use that flexibility, at least on a short-term basis, to at least try to maintain as much service as I can. And that is the decision we made.

Every year is going to be different, every city is going to be different. I know when I ask my customers, they say, Try not to cut my service because I lose my house, I lose my job, I go into foreclosure.

So we are doing everything we can as good managers, not only freezing payroll for my administration and then reducing our pay, to try to keep as much service on the road, and that was a tool available to us that we had to take advantage of this year.

Ms. SIGGERUD. Chairman Oberstar, the data we have on RTA indicates that less than 1 percent of the transit capital assistance program funds in the Recovery Act are going for operating costs. I think that this provides an interesting opportunity to try to figure out why. It may be what you said, is the need to protect that capital side of the budget or it may be that because these funds are temporary, transit agencies haven't wanted to use the funds for operating and then need to replace those funds later when these funds expire. So it is an opportunity to look into the issue a little bit more as a case study here in this act.

Mr. OBERSTAR. A very good observation. There was another principle involved because, since in the Recovery Act we are using general revenue funds, I felt it would be appropriate to have an increase in authority for transit agencies to use those dollars for operating account because on the one hand—the idea of this program is to createjobs, right—or save jobs. So on the one hand, the transit agency, one of our witnesses, I think it was from Atlanta, the Director of the Atlanta transit agency, said we will buy some new buses. But, at the same time, we may have to lay off workers. So on the one hand we are stimulating the economy and on the other hand we are destimulating it.

When you get into our long-term transportation bill, though, those are Highway Trust Fund dollars, for the most part, that are going into transit agencies. And the principle this Committee has followed is, as in the highway program, those funds should be used for capital investment. Only in the mid-1970s did we begin to expand use of Highway Trust Fund dollars for repair and maintenance. Initially that was not part of the authority under the Interstate Highway Program and the Highway Trust Fund.

Mr. Van Buren, I know in talking with the Sand and Gravel Institute and with the Associated General Contractors, both their Washington staff and their members across the country, that a great many sand and gravel operations and aggregate plants were shut down and some mothballed. When they heard about the stimulus, they said, Well, maybe there's hope for us to come back. And they began to ready their operations. Some of those that cut back were then able to move their workers from part-time to full-time.

Can you, as you heard Ms. Richardson earlier ask GAO whether they can quantify jobs saved as distinguished from jobs created, workers called back to work, is there some way you can do that?

Mr. VAN BUREN. Mr. Chairman, thank you for that question. I very much appreciate giving some input relative to this. From a construction worker's perspective, they work hour to hour, and day to day, week to week, month to month is not what they are looking at. They are really working hour to hour. That is what, as a contractor, as an aggregate supplier, as a bridge beam producer, that is what we can track.

I am not sure if I can genuinely sit up here and say that if I go hire a carpenter that used to work for another construction company 3 weeks before, but he was laid off, if I created a job or not.

But let me go to your snowmobile scenario that you threw out because, ironically, that is exactly the scenario I have been talking to most of our Pennsylvania legislators about.

Our construction in Pennsylvania is very seasonal, and the goal of every seasonal construction worker in Pennsylvania is to work until Thanksgiving, and then they are very happy. They have work for 9 or 10 months and then they are laid off. That is a good year, a good season for a construction worker in Pennsylvania.

In 2008, we shut down almost every one of our quarries and sand operations in Pennsylvania in the very beginning of October, the first week of October. So that is 8 weeks. Those 8 weeks are not like 8 weeks in March, in April. Those 8 weeks are about 400 hours. There is probably 10 hours of overtime every single week. Those are 50-hour weeks. We are trying to beat the Thanksgiving deadline, we are trying to beat the weather. And I speak for Pennsylvania, but this is true of any northern State that has seasonal construction.

Mr. OBERSTAR. You could be talking about Minnesota. That is our situation right there.

Mr. VAN BUREN. And so this is the bread and butter. October and November is the money that they are going to buy your snowmobiles, which we have the good fortune of having in Pennsylvania, the four-wheelers that we have in Pennsylvania. We are in an area that have boats. This is the discretionary spending that our workers have. I talk to these guys every day because I employ 3,200 of these individuals, and this is their discretionary spending that they are going to get. If they are laid off in October, there is no discretionary spending. As I have said many times, it makes for some very unpleasant Christmas and holiday seasons, because they don't have that money. I am not trying to bring tears to anyone's eyes, but they are not buying the Christmas presents they normally would buy for their kids.

Now you can say, So what? But in these small communities I might have in central Pennsylvania 20 workers from New Enterprise all living in Everett, Pennsylvania. Well, if they are not spending and buying two or threefour-wheelers, a big four-wheel drive truck, a boat, a Ski-Doo and a snowmobile, that is the trickle-down effect. So I am not pushing that money back into the economy. If they are on unemployment they are scraping every penny to make mortgage payments, buy food. They are going to start their winter layoff cycle a heck of a lot earlier. They are probably going to run out of benefits in March, which last year we had to actually extend benefits gratis on New Enterprise for about 20 workers. Because the stimulus was coming, we didn't want to lose them to any other industries, and so we pushed their benefits for them, gave them free benefits up until we were able to call them back in May and June. As a company we can't do that every year, but we knew the stimulus was coming, we knew there was going to be work, so we were able to look that far forward.

So in 2008 we are laying off the beginning of October. This year our layoff was about, on average, 6 or 8 days before Thanksgiving. So with the stimulus dollars we were able to push, leave the quarries open, have the hot-mix plants hot, and have construction workers that are in the market segment of where a lot of the stimulus dollars went in Pennsylvania, which was the bridge rehabilitation and the asphalt program. We still do have heavy highway workers out building big bridges in Pittsburgh and doing some of the major reconstruction work, but that is because Pennsylvania has been able to maintain their base program and overlay the stimulus on top of it.

So that is really the lifecycle of an employee. And, for me, at any point in time to say that is a new employee versus that is a ″saved″ job, they don't look at their jobs that way, because they are transient. Whether they are working for me or whether they are working for one of my competitors, if I don't have work, they are going to try to work for my competitor. Now if they go from me to my competitor, does he create a job?

No. The stimulus produces construction worker hours. They are hourly workers. I may put on another accounts receivable person in my office. That is a trickle down. That is an add-on job. Design firms are going to be designing. When the jobs are obligated, we haven't created an immediate construction job, but we are going to once the job is awarded. There are a lot of upstream jobs from the point of obligation. So I cannot count. And when you were having that discussion with Congresswoman Richardson I was kind of cringing sitting over there because if I have to try to document whether it is a new employee or the salvation of an existing employee's job, I am going to have a very, very difficult time as a contractor and a materials supplier.

But I can tell you that we have been tracking hours. The very last, as I collected data for this particular testimony, the last e-mail that I got from my payroll clerk that was giving me data said, Jamie, real interesting, real quick. Your blacktop division at New Enterprise, which is about 200 people, if I add the stimulus dollars that they received, because we are tracking that in accordance with the documentation required, if I add that payroll to the other payroll that they get for all the other work they have, it equals what they made in 2008 collectively.

So I can tell you almost dollar-for-dollar. And when he sent me the e-mail I wish I had saved it because I would like to have been able to read the actual numbers. But our payroll in our blacktop division at New Enterprise was almost exactly the same in 2009 as it was in 2008. But I just can't really delineate new versus saved. But we can track hours for you, and we are more than happy to do it. If you want to create full-time equivalents and we can turn it into—but hours is what the guys depend on when we are talking to the public at large, when you as Congress are talking to the public at large, that is what our workers understand. They understand hours.

Mr. OBERSTAR. You have got it exactly right. I am sure, Ms. Andolino, you have the same view. That is why in our Committee report we report full-time equivalent hours worked. And we have them by the millions State by State. And so few people really understand the life of a construction worker. They don't just stay in one place. They move around where the job is.

Mr. Shuster, do you have any other comments?

Mr. SHUSTER. One quick question. And I have heard this for the last several months or year about the bids coming in way under what the engineers project. I was in business so I understand if a competitor is desperate, he is going to do it for nothing or maybe a little bit just to keep the lights on.

So I am curious why engineers—again, when you have that situation, that is going to be off but when you can see that cement has gone down or oil has gone down, I don't understand why there is so often—and maybe it is just because of desperation. I guess that is the question I am looking for. Why are these numbers coming in so far off the mark, in your view?

I would start out with Mr. Van Buren because he is the guy out there.

Mr. VAN BUREN. I think it is really two components, and you hit both of them. In 2008, the asphalt went up so high, and it is a large component of what the ARRA funds have been spent on, that when—my understanding is when estimates are put together from engineers they are looking at past jobs and they are trying to factor in what they are projecting asphalt prices will be. And so we are doing the same thing when we are putting budgets together. Asphalt prices came down so much further than anybody thought that they were going to that that does create some piece of that miss.

And the second piece is 17 bidders. I have no gripe being one of those bidders. It is a capitalist society and we are out there, and our job is to be as efficient with our workforce as we possibly can. And if there are 17 bidders, we will attempt to be low bidder whenever possible, and that definitely drives down prices as well. So I would suspect from my side that it is the combination of those two factors.

Mr. SHUSTER. It is not the engineers living in the past and not being able to——

Mr. VAN BUREN. They are doing absolutely as good as they possibly can do. They are looking at data when fuel—asphalt went up to $800 a ton and they are putting estimates together last winter when fuel then dropped down to $675 a ton and they are opening up their crystal ball going, What's it going to be when I pay for it next August? I didn't know the answer to that. They don't know the answer to that.

Mr. OBERSTAR. We have a vote in progress on the House floor, to be followed by some other activity over there. There are a thousand questions I would still like to ask.

Ms. Siggerud, I just want you to think about and get back to us with the question of this matter of States having to reprogram funds because bids have come in lower and what process is there that is so time consuming and how can we fix that.

Ms. SIGGERUD. Mr. Oberstar, we are scheduled to report again in February. We will be looking specifically at this issue and working with States in terms of understanding what is happening, and we will report again in May and give a retrospective in terms of that deadline and what happened to meet it.

Mr. OBERSTAR. Thanks to all of you for your wonderful contributions, thoughtful commentaries, both on the Recovery Act and on the 6-year authorization bill, the Surface Transportation Assistance Act.

We are doing our best here. If we just left it up to Mr. Shuster, Mr. Mica, and me, maybe we would get it all done this afternoon.

Thank you very much. The Committee is adjourned.

[Whereupon, at 3:27 p.m., the committee was adjourned.]

Full Committee Hearing on Stimulus – December 10, 2009
Congressman Henry E. Brown, Jr.

Chairman Oberstar and Ranking Member Mica, thank you for holding today's hearing. I applaud your continued commitment to continued oversight. We in Congress have been charged with protecting the investments provided by our constituent's tax dollars. Since coming to Congress, I have considered this role to be one of the more important functions of my job and I am pleased to have willing partners in this effort.

I needn't remind anyone on this Committee of the dire straits our country is in. Unemployment in my home state of South Carolina is 12.1 percent, much higher than the national unemployment rate of 10 percent. As bad as these statistics are, the construction industry has been much harder hit. Since December of 2007 the nation's construction industry has lost 1.6 million construction jobs, and while there are signs of improvement nationally, this tread has not been seen in South Carolina. Between October 2007, and October, 2008 the South Carolina construction industry lost an additional 16,900 jobs.

As such, I am worried that the Stimulus is not doing enough to help these workers. When this body passed the Stimulus I, along with everyone on this Committee, was disappointed with the lack of true infrastructure spending in the bill. As the Chairman knows every billion invested in highway and transit infrastructure creates more than 30,000 jobs and returns more than $6.2 billion to the U.S. economy. Yet the $787 billion Stimulus provided only $48.1 billion to transportation projects and of that amount only $27.5 billion when to highway and bridge infrastructure. These paltry sums are simply not enough to create the jobs needed by our construction industry.

Furthermore, I am greatly concerned that transportation dollars that were provided are not being used on significant projects. We have heard testimony today that almost half of the transportation projects funded by the Stimulus are being used for repaving and resurfacing projects. Conversely nine percent of the stimulus funds are being used to construct new roads and bridges. I certainly understand the importance of resurfacing projects; however, I worry that focusing on this low-hanging fruit has not provided long-term benefits to the public good and a steady paycheck to the worker.

My concerns are reinforced by the Department of Transportation's methodology for calculating job creation. The Department claims that the projects under its jurisdiction have created 210,000 jobs. However, this figure does not represent long-term employment it simply represents one month worth of work. A month is not a job.

As such, I would like to hear from the witnesses if these road resurfacing projects are providing workers long-term job certainty or simply a temporary paycheck? Additionally, what will be the long-term benefit to the nation of these resurfacing projects? Finally, what can we do in this Committee to provide a long-term commitment to the construction industry?

OPENING STATEMENT OF
THE HONOROABLE RUSS CARMAHAN (MO-03)
HOUSE TRANSPORTATION AND INFRASTRUCTURE COMMITTEE

Hearing on
Recovery Act: Progress Report for Transportation Infrastructure Investment
Thursday, December 10, 2009

Chairman Oberstar and Ranking Member Mica, thank you for holding this hearing to examine the progress of the Recovery Act in rebuilding our aging infrastructure and putting people back to work after nine months.

Of the $64.1 billion provided for transportation and infrastructure programs under the jurisdiction of the Committee, Federal, state, and local agencies have announced 15,654 transportation and infrastructure projects totaling $44.7 billion. This represents seventy percent of the total available funds. Within this total, $37.8 billion has been obligated for 13,882 projects. This is nearly sixty percent of the available funds.

These numbers make clear that funding for transportation and infrastructure projects create or sustain much needed jobs not only directly in the construction sector but also indirectly at companies that produce construction materials and manufacturing equipment. Just looking at the 7,886 highway and transit projects funded have created or sustained an estimated 210,000 direct jobs.

In closing, I want to thank our witnesses for joining us today and I look forward to their testimony. Finally, I want to thank Chairman Oberstar and his staff for diligently tracking Recovery Act funding under the jurisdiction of the Committee.

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STATEMENT
CONGRESSWOMAN EDDIE BERNICE JOHNSON
COMMITTEE ON TRANSPORTATION & INFRASTRUCTURE

Recovery Act: Progress Report for Transportation Infrastructure Investment

Thursday, December 10, 2009
10:00 a.m.
2167 Rayburn House Office Building

Good morning, Mr. Chairman. Welcome, distinguished witnesses.

I am and will continue to be a strong supporter of increased investment in our nation's infrastructure.

The Recovery Act represents a significant renewal in the long-term economic viability of the United States through investment in our wastewater treatment needs, water-related infrastructure needs or our national network of roads, bridges and transit systems.

Unfortunately, our infrastructure fell into disrepair, threatening public safety and the health of our communities and environment.

In part, this was the result of the failed philosophy of the previous administration that ignored the warning signs on our decaying infrastructure and failed to invest in the economic well-being of the nation.

The consequences of this short-sightedness can be witnessed through pictures of a flooded New Orleans or the tragic bridge collapse in the state of Minnesota.

Through the hard work of our Chairman, Mr. Oberstar and the members of this Committee, funds have been disbursed to the states to remedy this sad state of affairs and retain and create jobs for our fellow Americans.

There have been stumbles in getting the Recovery Act funds translated into construction and infrastructure projects, but our work and the work of the states continues – and, I would like to see the rate of expenditures of these recovery funds continue to increase.

I welcome the witnesses here this morning and look forward to their testimony.

Thank you, Mr. Chairman.

Congresswoman Markey for House Transportation and Infrastructure Committee hearing, Thursday, December 10, 2009

Recovery Act: Progress Report for Transportation Infrastructure Investment

Mr. Chairman, there are two provisions in the American Recovery and Reinvestment Act (Recovery Act) that have been extremely beneficial to Denver International Airport, and to many other airports around the country, as stated in testimony delivered to this Committee today, and deserve to be extended.

The first provision eliminated the Alternative Minimum Tax penalty for private activity bonds issued by airports through end of next year. Denver issued approximately $150 million in non-AMT bonds in October that would have been issued as AMT bonds prior to the AMT tax “holiday”. Denver saved almost $27.2 million in total debt service costs by issuing non-AMT bonds versus AMT bonds due to the lower interest costs associated with non-AMT debt. The AMT penalty in this case is estimated at approximately .60% in added interest costs compared to non-AMT debt.

The second provision permits local governments to issue Build America Bonds (BABs) for new capital projects. While there are two types of BABs, the one used by Denver International Airport and other issuers authorizes the Treasury Department to provide a direct pay subsidy in the amount of 35% of the bond interest to offset the higher interest costs compared to traditional tax-exempt debt. In October this year, Denver International Airport issued both BABs and tax-exempt bonds on the same day and estimates it saved approximately $19.4 million in net debt service over the life of the debt by using BABs compared to the tax-exempt bonds.

These two provisions allow for private activity airport bonds to be issued essentially as tax-exempt bonds. They significantly reduce the debt service costs of airport projects, allowing Denver International Airport and other airports to make necessary infrastructure improvements, creating jobs while enhancing safety, efficiency and capacity of our busiest airports. Both provisions will expire at the end of 2010 unless this Congress acts to make them permanent or otherwise extend them.

As we consider which Recovery Act provisions have helped the economy and promise even greater benefits in the future, permanently eliminating the AMT penalty and extending the Build America Bond program are measures this Committee should support.

STATEMENT OF
THE HONORABLE JAMES L. OBERSTAR
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
HEARING ON "RECOVERY ACT: PROGRESS REPORT FOR TRANSPORTATION INFRASTRUCTURE INVESTMENT"
DECEMBER 10, 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. This Act has already resulted in almost 7,900 highway and transit projects breaking ground as well as hundreds of thousands of workers getting off the bench and back on the job all across the nation.

Beyond the funds provided by the Recovery Act, additional highway and transit projects totaling more than $62 billion are ready to go to construction in the next few months. To offset the continued rise in construction unemployment, the collapse of the private construction market, and State budget crises that limit States' ability to finance highway and transit projects, we must act now to provide additional investments for ready-to-go highway and transit projects.

Against this backdrop, I scheduled this oversight hearing to hear from Federal, State, and local transportation officials, who are implementing programs receiving funding under the Recovery Act. We will also hear from a supply chain industry leader whose company has been able to keep workers employed because of the Recovery Act. In addition, Government Accountability Office (GAO) will testify about its extensive oversight of the Recovery Act.

The successful implementation of the Recovery Act highway and transit investments adds force to the calls for additional infrastructure investment. As of October 31, 2009:

- 10,329 highway and transit projects in all 50 States, five Territories, and the District of Columbia have been put out to bid, totaling $24.5 billion, representing 71 percent of the total available formula funds for highway and transit projects;
- 50 States, three Territories, and the District of Columbia have signed contracts for 8,871 highway and transit projects totaling $20.2 billion, representing 59 percent of the total available formula funds; and
- Work has begun on 7,886 projects in 50 States, three Territories, and the District of Columbia, totaling $18.6 billion, representing 54 percent of the total available formula funds.

These 7,886 highway and transit projects that are underway have created or sustained more than 210,000 direct, on-project jobs. Direct job creation from highway and transit projects has resulted in payroll expenditures exceeding $1.1 billion. Using this data, the Committee calculates that $179 million in unemployment checks have been avoided as a result of this direct job creation. Furthermore, these direct jobs have caused nearly $230 million to be paid in Federal taxes.

Just as important as direct, on-project jobs, are indirect and induced jobs in the supply chain 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, or manufacture equipment such as new transit buses. Total employment from these 7,886 highway and transit projects, which includes direct, indirect, and induced jobs, reaches nearly 630,000.

The Recovery Act investments are also bringing our nation's highway, bridge, and public transit systems to a state of good repair. The Federal Highway Administration (FHWA) reports that these highway and bridge investments will result in nearly 28,000 miles of road improvement and almost 1,300 bridge improvements.

In addition to these investments, the Recovery Act also included funding for many other infrastructure investments within the Committee's jurisdiction, including Clean Water, Federal building, and U.S. Army Corps of Engineers investments. Of the $64.1 billion provided for transportation and infrastructure programs under the Recovery Act, Federal, State, and local agencies have announced 14,654 transportation and other infrastructure projects totaling $44.7 billion, representing 70 percent of the total available funds, as of November 20, 2009. Within this total, States and agencies have obligated $37.8 billion for 13,882 projects, representing 59 percent of the available funds. More specifically:

- Work is underway on 745 aviation projects totaling $1.2 billion (92 percent of the total available Recovery Act funds for the Federal Aviation Administration (FAA));
- Amtrak has awarded $623 million in contracts for 350 projects (48 percent);
- 1,269 Clean Water State Revolving Fund projects are out to bid totaling $2.6 billion (66 percent), 723 projects are under contract totaling $1.5 billion (39 percent), and work has begun on 588 projects totaling $1.2 billion (32 percent), as of October 31, 2009;
- The Environmental Protection Agency (EPA) has provided $576 million to existing contracts for 57 Superfund projects (nearly 100 percent);
- EPA has awarded grants or provided funds for existing grants or contracts worth $79 million for 176 Brownfields projects (79 percent);
- The U.S. Army Corps of Engineers has committed $2.5 billion for 758 projects (54 percent);
- The General Services Administration (GSA) has awarded contracts worth $1.4 billion in Federal Buildings funds for 314 projects (26 percent);
- The Economic Development Administration (EDA) has awarded 68 grants totaling $147 million (nearly 100 percent); and
- Under the Coast Guard's Alteration of Bridges program, contracts have been awarded and construction has started on three of the four planned bridge projects totaling $81 million (57 percent).

In addition to the 630,000 direct, indirect, and induced jobs that have been created or sustained by the highway and transit formula programs, these additional programs, along with a few others, have created or sustained an estimated 227,000 direct, indirect, and induced jobs. When combined, these investments have already created or sustained approximately 857,000 jobs.

We have also seen bids for infrastructure projects coming in much lower than expected. For example, California, Georgia, and Texas awarded more than 90 percent of their highway contracts for less than their cost estimates. 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.

Although the Recovery Act has counteracted the increase in construction unemployment, Congress must act now to pass job creation legislation. In November, the national unemployment rate in construction was 19.4 percent. At the Committee's October hearing on Recovery Act implementation, Mr. Charles Gallagher, President of Gallagher Asphalt Corporation, testified that, although historically his company has received one-half of its work from the private sector and one-half of its work from the public sector, 98.5 percent of his current business is public sector work.

State reports on planned spending for transportation projects also reveal the real danger that many States will be unable to move forward with their own infrastructure programs or find matching funds for Federal transportation programs.

Additional funding for highway and transit projects will immediately create and sustain needed employment. According to a December 2009 American Association of State Highway and Transportation Officials (AASHTO) survey of State Departments of Transportation, there are 7,497 ready-to-go highway and bridge projects, totaling $47.3 billion. Furthermore, according to a December 2009 American Public Transportation Association (APTA) survey, there are more than $15 billion of ready-to-go transit projects.

I am pleased with the progress that has been made in the first nine months 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, and learning how we can build upon these efforts to ensure that we continue to put Americans back to work.

Statement of Rosemarie Andolino
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On behalf of the American Association of Airport Executives

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Recovery Act: Progress Report for Transportation Infrastructure Investment Testimony submitted by Rosemarie Andolino Before The House Committee on Transportation and Infrastructure December 10, 2009

Thank you, Mr. Chairman. My name is Rosemarie Andolino, and I am the Commissioner of the Chicago Department of Aviation. On behalf of the American Association of Airport Executives (AAAE), I appreciate the opportunity to testify before your Committee to discuss stimulus funding for airports and other ways to invest in our country's infrastructure. I want to thank you for this Committee's work in support of the American Recovery and Reinvestment Act of 2009. You are to be commended for your continued commitment to these issues that are so critical to our entire nation.

I would also like to thank you and the Members of this Committee for passing H.R. 915, The *FAA Reauthorization Act of 2009*, multi-year legislation reauthorizing the Federal Aviation Administration (FAA). This legislation includes a critically needed increase in the Passenger Facility Charge (PFC) cap and additional Airport Improvement Program (AIP) funds. With your leadership, airports nationwide are going to receive critical funding to increase system capacity, safety, and efficiency, as well as make environmental improvements.

In Chicago, we are committed to increasing the efficiency, capacity and environmental sustainability of our airports. The Chicago Department of Aviation is the owner and operator of O'Hare and Midway International Airports. Chicago's airports play a key role in the global aviation system. Today, O'Hare and Midway handle more than 82 million passengers annually and provide travelers with direct and nonstop service to more than 230 cities worldwide. Chicago's airport system is more than a gateway for millions of travelers; it also serves a vital role in global commerce, shipping and receiving more than 1.3 million tons of freight, mail and goods each year.

As is the case with most airports across the country, O'Hare and Midway are major economic engines for our city, region and the state, generating nearly $45 billion in economic activity and 540,000 jobs. Our plans to modernize O'Hare, which I will describe later in my testimony, will create up to 195,000 jobs and add $18 billion to the Chicago region's community.

We all know the current economy has affected demand for air travel nationwide, but we are confidant the industry will rebound and demand will exceed levels ever experienced before. We saw the future when aviation activity peaked prior to current downturn and we initiated the improvements needed to serve those levels of activity.

American Recovery and Reinvestment Act

Airport Improvement Program Funds: As members of this Committee know, the Recovery Act included $1.1 billion for ready-to-go airport construction projects. Large and small airports around the country are using the additional AIP funding to improve their facilities and stimulate the economy by creating good-paying jobs.

The FAA indicates that it has already issued 325 grants for 359 airport construction projects. This amounts to more than 99% of the AIP funds contained in the Recovery Act -- or $1.095 billion. The FAA expects to distribute the remaining funds before the end of the year. It is my understanding that construction is underway on 355 of the 359 projects and that construction on the other 4 projects will begin later this month.

Earlier this year, the Chicago Department of Aviation was awarded $12.3 million in Recovery Act grant funding for improvements to replace concrete pavement on Runway 10-28 and Taxiway M (Mike) at O'Hare International Airport. The projects are substantially complete, and both will improve runway operations and increase efficiency not only at O'Hare, but throughout the national aviation system. While we are successfully implementing a large modernization of O'Hare, this stimulus funding allowed us to proceed with additional work that produced benefits beyond those provided by the modernization program. And just like all other new design and construction work performed at Chicago's airports, the runway and taxiway stimulus projects are being completed in the most environmentally sustainable manner possible.

The stimulus work at O'Hare has succeeded in putting people to work. In fact, our contractor has recorded a total of 33,300 man hours on the stimulus work through October 2009 enough to employ 35 full-time jobs over the period.

The FAA should be commended for getting the grants out the door as quickly as it did. The agency's prompt actions have allowed airports to move ahead with their infrastructure projects and create jobs in their local communities. Stimulus funding has gone a long way towards increasing air travel efficiency and enhancing safety at our nation's airports. And it's important to keep investing in the aviation industry, not only because airports and airlines are proven economic generators for cities, regions and states across the nation but because Air Transportation is critical to the entire country's economic health and global competitiveness.

Facilities and Equipment Funds: The Recovery Act also included $200 million for FAA facilities and equipment to help modernize and improve our air traffic control system. Of those funds, $50 million was designated to upgrade FAA power systems; $50 million for modernizing en-route air traffic centers; $80 million to replace air traffic control towers and Terminal Radar Approach Control facilities; and $20 million to install airport lighting, navigation and landing equipment. According to the FAA, those funds will be used on more than 300 projects at airports around the country.

Alternative Minimum Tax: Federal tax law has a track record of classifying the vast majority of bonds that airports use as private activity even though they are used to finance runways, taxiways and other facilities that benefit the public. Since private activity bonds are subject to the Alternative Minimum Tax (AMT), airport bond issuers traditionally have been charged higher interest rates on their borrowing.

The Recovery Act eliminated the AMT penalty on private activity bonds that airports and other entities issue in 2009 and 2010. The bill also allows airports and others to refund bonds issued in the past five years that are callable in 2009 and 2010. The AMT provisions are helping airports throughout the country create jobs by moving forward with critical infrastructure projects that had been delayed because of the financial crisis and the collapse of the bond market.

The Metropolitan Washington Airports Authority sold $400 million in airport revenue bonds earlier this year. The airport refunded another $450 million in bonds this summer and recently issued almost $108 million in non-AMT short-term commercial paper. Miami International Airport sold $600 million in bonds in May and recently announced plans to issue another $600 million in airport revenue bonds. Airport officials expect that the AMT provisions will save Miami Dade between $9 million and $14 million per year.

The FAA estimates that airports have issued more than $5 billion in bonds since Congress passed the Recovery Act. More than $4 billion of that amount benefited from the AMT provisions saving airports approximately $639 million. The FAA expects those savings will exceed $1 billion by the end of year. Those savings are important, because they allow for greater investment in the job-creating "bricks & mortar" activities.

Build America Bonds: The Recovery Act is also helping state and local governments reduce their financing costs and build infrastructure projects through Build America Bonds. These new bonds, instead of being fully tax-exempt like governmental bonds, allow state and local governments to receive a direct payment from the Federal government in an amount equal to 35% of the interest payment on the bonds.

According to the Department of Treasury, more than $35 billion in Build America Bonds have been issued in 39 states. Although most bonds that airports issue are classified as private activity, some airports have benefited from the lower borrowing costs associated with Build America Bonds and the fact that they appear to a different class of investor. For example, Denver International Airport issued slightly more than $65 million in Build America Bonds in October to fund new capital projects. Issuing Build America Bonds instead of tax-exempt bonds will save the airport approximately $19.4 million in net debt service costs.

Aviation Security Funding: The Recovery Act included $1 billion for aviation security projects. The Transportation Security Administration (TSA) is designating $700 million of that for the procurement and installation of in-line explosive detection systems (EDS) and $300 million for checkpoint explosives detection equipment. A number of airports around the country are already using these funds to enhance aviation security at their facilities.

By early September, TSA had awarded $354 million for in-line EDS projects at 18 airports. In October, Department of Homeland Security Secretary Janet Napolitano announced that the agency would be awarding $355 million for airport security projects including $254 million for in-line EDS systems at six additional airports. She also announced that an additional $38 million would be used to improve surveillance capabilities at six airports. Of that amount, Chicago Midway International Airport will receive $2.7 million for a closed circuit television (CCTV) security system, which will further support the airport's security efforts.

The Next Jobs Bill Should Help Airports Improve Aviation Safety and Stimulate the Economy

Mr. Chairman, the Recovery Act has helped airports around the country move forward with key infrastructure projects, reduce their financing costs and enhance aviation safety and security. As Congress begins to consider other legislation to help create jobs we encourage you to build on the successful airport-related provisions in the Recovery Act and include provisions in the next jobs bill to help airports create jobs and stimulate the economy.

Provide Additional Funding for Airport Infrastructure Projects: One of the effects of this economic downturn is that fewer people are flying and as a result, fewer people are employed by the aviation industry. Now, while airline traffic is down, we should take advantage of this opportunity to reinvest in our airport's infrastructure, making it safer and more efficient.

History will show that over the years the aviation industry has had some challenges, resulting in air traffic dropping. But under each and every circumstance, air traffic rebounded – and more importantly, it came back even stronger than before. To meet the needs of the future, we need to add capacity today to our national aviation system – essentially building new runways.

Late last year, the FAA released its National Plan of Integrated Airport Systems for 2009 to 2013. The report indicates that there will be $49.7 billion of AIP-eligible projects during the next five years – or approximately $10 billion per year. This is approximately 21 percent higher than the $41.2 billion that FAA estimated for AIP-eligible construction projects for 2007 to 2011. As members of this Committee know the annual $10 billion in eligible projects is far more than Congress appropriates for AIP every year.

Despite this Committee's support for increasing AIP funding by $100 million per year, Congress has appropriated approximately $3.5 billion for AIP every year during the past five years. This means that airports received approximately $1 billion less in AIP funds from FY06 through FY09 than this Committee approved. Unfortunately, the House- and Senate-passed versions of the FY10 DOT spending bill include the same funding level for AIP – or approximately $500 million less than the $4 billion that this Committee proposed for AIP in the same fiscal year as part of H.R. 915.

Again, airports are grateful that the Recovery Act included $1.1 billion in AIP funding. Considering the significant airport capital needs and the flat funding that AIP has received in the appropriations process in recent years, we encourage Congress to include significantly more than $1.1 billion in the subsequent jobs bill. We also recommend that airports be given greater flexibility in using these funds.

Specifically, H.R. 915 includes a welcome provision that would allow non-primary airports to use their AIP entitlements for revenue-producing aeronautical support facilities such as new fuel farms and hangers. We should build on that proposal and allow airports to temporarily use additional AIP funds for critical projects that are not currently AIP-eligible if those airports can certify that their airside needs have been met.

If the goal of the subsequent jobs bill – like the Recovery Act – is to stimulate the economy by creating jobs, airports should be allowed to use additional AIP funds for a wider set of eligible projects that put more people back to work in their communities. With additional flexibility and significantly more funds, airports can improve aviation safety and security, prepare for future demand and create much-needed jobs.

In Chicago, we have significant experience in successfully completing major capital development projects at our airports. Midway's terminal underwent a complete reconstruction a few years ago, and we are in the midst of a major modernization program at O'Hare right now. Investments in these projects create substantial construction jobs immediately, in turn produce indirect benefits quickly to the local communities, and in the long-term, provide even greater economic generation through enhanced airport capacity and efficiency.

For example, at O'Hare, we are currently performing approximately $45 million of design work and $161 million in construction in 2009, with those numbers anticipated to increase to approximately $68 million and $383 million respectively in 2010. Such funding levels allow for the creation of nearly 200 design jobs and more than 900 construction jobs in 2009, and nearly 300 design and more than 2,200 full-time construction jobs in 2010. Our current plans have us completing our airfield modernization program in 2014. As evidenced by our successful quick use of the $12 million in additional funding earlier this year, we've proven an ability to speed-up job-creation, while doing so in a manner that also serves as a long-term investment in airport infrastructure. We have also demonstrated a commitment to perform this work in the most environmentally-friendly manner possible.

Permanently Eliminate AMT Penalty on Airport Private Activity Bonds: I realize that this isn't under the jurisdiction of this Committee, but I urge you to work with your colleagues on the House Ways and Means Committee to permanently eliminate the AMT penalty on airport private activity bonds. Doing so would reduce airport financing costs and allow airports to invest more funds into other critical infrastructure projects.

The Recovery Act took a step in the right direction by temporarily eliminating the AMT penalty on airport private activity bonds. But those provisions only apply to bonds issued in 2009 and 2010. A permanent AMT fix would help save airports even more money, allow them to invest in more infrastructure projects and create even more jobs.

My colleagues at San Francisco International Airport estimate that the temporary AMT provisions in the Recovery Act will save the airport approximately $175 million over the life of their bonds. A permanent AMT fix would lower the airport's debt service costs by more than $650 million over the life of the bonds. Considering the potential savings at just one airport, it is not unreasonable to expect that a permanent AMT fix could save airports billions of dollars in lower financing costs, allowing for more investment activities that create significant job levels.

Extend Build America Bonds: Like the AMT provisions, the Build America Bonds program expires at the end of next year. The AMT provisions have had a much larger financial impact on many more airports than the Build America Bonds. Permanently eliminating the AMT penalty on airport private activity bonds continues to be our top tax-related priory. However, Build America Bonds are another tool that some airports can use to reduce their financing costs. Consequently, we encourage Congress to include a provision in the next jobs bill that would extend Build America Bonds beyond FY10. We also encourage Congress to consider calls to increase the subsidy rate beyond 35%.

Provide Funding to Expedite Critical Security Projects at Airports: Much progress has been made in recent years to target federal resources toward important security-related projects at airports including permanently installing EDS equipment as part of in-line baggage systems, enhanced camera technologies and initiatives to strengthen perimeter security. Previous investments in in-line systems and other critical security projects have created high-paying jobs while increasing security, safety and efficiency at airports across the country. However, significant needs remain. We urge Congress to continue to invest in airport security-related projects as a way to enhance aviation security and stimulate the economy by creating jobs.

Passing a Multi-Year FAA Reauthorization Bill and Raising the PFC Cap Will Also Help Airports and Stimulate the Economy

In addition to passing another jobs bill Congress can stimulate the economy by sending a multi-year FAA reauthorization bill to the President's desk that raises the PFC cap and increases AIP funding. Due to the leadership of this Committee, the House of Representatives has done its part by approving H.R. 915. We hope the Senate will follow your lead and pass its version of the FAA reauthorization bill soon.

As you know, airports have been urging Congress to raise the PFC cap from $4.50 to $7.50 and index it for construction cost inflation. We are grateful that H.R. 915 proposes to raise the PFC cap to $7.00. If enacted into law, the additional $2.50 would generate more than $1 billion per year for critical safety, security and capacity projects at airports around the country.

While allowing completion of critical airport infrastructure projects, raising the PFC cap and increasing AIP funding would also help stimulate the economy by creating tens of thousands of good-paying jobs every year. These two funding mechanisms will also help Chicago fund the Completion Phase of the O'Hare Modernization Program (OMP), Mayor Richard M. Daley's vision to build a 21st century airport at O'Hare that will help alleviate critical airport delays in the National Air Transportation system.

O'Hare Modernization Program: The OMP has been the Chicago region's economic stimulus package for the past seven years – putting thousands of people to work, rebuilding our infrastructure and keeping businesses here in the City and the state. So far, we estimate that as many as 550 design jobs have been created in a single year and more than 12,000 construction jobs created since the beginning of the program.

The City's plan to modernize O'Hare International Airport continues to make great progress and will secure Chicago's key role as the center of the global aviation system. The OMP, which is reconfiguring O'Hare's outdated intersecting runway system into a parallel runway configuration, will substantially reduce delays and increase capacity at O'Hare well into the future. As I mentioned in my opening remarks, the OMP will create up to 195,000 jobs and add $18 billion to the Chicago region's economy.

2009 was the first full year of operation for two runway projects and the new North Air Traffic Control Tower. Operation of new Runway 9L/27R, O'Hare's first new runway since 1971, has already helped increase O'Hare's on-time arrival rate by 22 percent. As you know, reducing airline delays by increasing airport capacity also helps the economy. According to a report that the Joint Economic Committee released last year, flight delays cost the economy more than $40 billion in 2007.

As of August of 2009, the OMP has awarded a total of $1.244 billion in construction bid packages. We will advertise up to an additional $22 million in construction work through the end of 2009. Additionally, we will advertise up to $245 million in construction bid packages in 2010. This work will focus on enabling projects and paving for the central portion of Runway 10C/28C.

Construction will continue in 2010 on Runway 10C/28C, a Group VI capable runway being built to accommodate larger aircraft and further reduce delays and add capacity at O'Hare. Design and planning efforts for the Completion Phase of the OMP, which includes two new runways, the extension of another runway, a new South Air Traffic Control Tower, a western terminal and related facilities has begun. Construction for the Completion Phase is scheduled to begin in 2010.

Sustainability

As we work to improve infrastructure and create new jobs, it is critical to incorporate environmentally friendly technologies and solutions into these efforts. As we have learned in Chicago, sustainability initiatives and efforts are not only possible at Chicago's airports, they are essential.

In 2003, the OMP created the Sustainable Design Manual (SDM), which positioned Chicago as the first in the nation to develop sustainable guidelines for design and construction at airports. It established the model for green airport development and has since received national and international recognition. The manual was developed specifically to consider the four general project categories that are part of the OMP: civil airside; civil landside; occupied buildings; and unoccupied buildings. The OMP also developed a rating system to recognize compliance with the manual and reward design and construction accomplishments.

The OMP has also implemented a balanced earthwork management plan in the process of moving over 15 million cubic yards of soil to build the runways and supporting infrastructure projects. We have saved well over $100 million in program costs by keeping soil onsite instead of hauling it away and dumping it in local landfills. Additionally, the OMP has saved nearly $2 million by crushing concrete and asphalt onsite and reusing it throughout the program.

In 2009, the Department hosted the second "Airports Gong Green" Conference in Chicago, which was attended by more than 300 airport managers and executives from around the globe. The Conference featured nationally and internationally recognized aviation, environmental and federal agency leaders. The goal was to share best practices and sustainable airport success stories, and to develop partnerships to continue going green at airports.

At the Conference, the Chicago Department of Aviation and the OMP created and released the Sustainable Airport Manual (SAM). The SAM expands on the green airport design and construction guidelines set forth in the original SDM and incorporates the lessons learned in six years of sustainable efforts at the OMP. The creation of SAM has been a collaborative effort with contributions from nearly 200 airport executives, environmental experts and industry leaders from across the U.S. and around the world. Because design and construction activities are only part of an airport's functions, we are creating additional chapters for SAM, to incorporate sustainability into airport planning, daily operations and maintenance, as well as concessions and tenants. We look forward to continued involvement from our industry partners, because the SAM is intended to be a living document that will continuously evolve, improve and grow as future technologies emerge. These efforts will also help promote "green" jobs in our industry.

Conclusion

As the aviation industry continues to evolve, we must be prepared to meet the needs of the industry, now and well into the future, to ensure our airports remain powerful economic engines, both locally and nationally. Now is the time to make investments in our national airport system. We appreciate the work and the leadership of this Committee with regards to the Recovery Act and the FAA Reauthorization legislation.

These initiatives are helping to improve aviation safety, enhance system capacity, and support construction at airports around the country – with the added benefit of stimulating the economy. We are grateful for the support and encourage the Congress to continue these critical efforts.

TESTIMONY OF

Joseph A. Calabrese

CHIEF EXECUTIVE OFFICER, GENERAL MANAGER

GREATER CLEVELAND REGIONAL TRANSIT AUTHORITY

CLEVELAND, OH

BEFORE THE

HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

ON

RECOVERY ACT: PROGRESS REPORT FOR
TRANSPORTATION INFRASTRUCTURE INVESTMENT

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DECEMBER 10, 2009

SUBMITTED BY

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I have been asked to provide the Committee with testimony regarding Greater Cleveland Regional Transit Authority's (RTA) utilization of funding from the American Recovery and Reinvestment Act of 2009 (ARRA), as well as the future funding issues facing our Authority and industry.

RTA is a multi-modal transit agency that operates buses, heavy rail, light rail, bus rapid transit, paratransit and work access services. Last year RTA was a Lexus World Class Customer Service Award winner and was recognized by APTA as the best large public transit system in North America.

RTA has been allocated a total of $45.75 million in ARRA funding from two sources, $34.57 million in Section 5307 Urban and $11.18 million in Section 5309 Rail Modernization grants. With these funds we were able to close the funding gap for eight projects that were partially funded with existing grants and to fully fund nine additional capital projects that were totally unfunded. We have also dedicated 10 percent of the Urban Grant to operating assistance preserving jobs at RTA.

By filling funding gaps in previous grants, the $45.75 million in ARRA funds will allow RTA to invest over $65 million to stimulate the economy.

To date we have awarded 109 contracts on 15 projects valued at $48.4 million, with $29.3 million of ARRA funding committed to those projects. We have $5.3 million of ARRA contracts that are currently in our procurement process, which we expect to award at our December 15, 2009 board meeting. We also note that 22.6 percent of the contract value awarded to date has been to Disadvantaged Business Enterprise companies.

In our latest monthly report to this committee, we have documented that through October 30, 2009, the ARRA program has resulted in preserving/creating 524 job months of labor, with 90,686 labor hours, and $2.4 million of payroll invoiced on RTA capital projects. This does not include the bus operator jobs preserved at my agency.

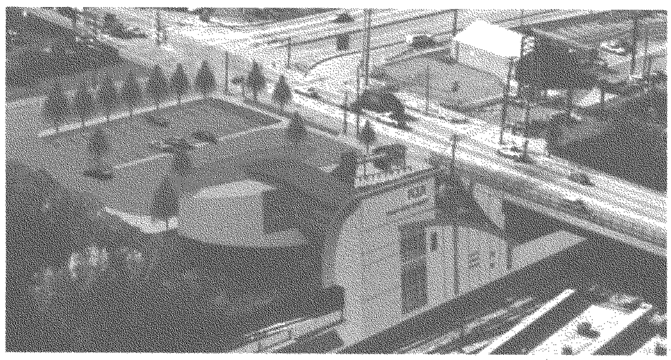
The majority of the ARRA projects have been State of Good Repair projects for our rail system, which includes the complete ADA rehabilitations of two rail stations, our rail vehicle overhaul program, rail track improvements and rail crossing upgrades. Other important projects include the construction of a transit center, bridge demolition, utility relocations, and purchase of 35 paratransit vehicles.

The five design projects also underway include rail station rehabilitation, airport tunnel rehabilitation, rail grade crossings, rail track improvements and extensions, and bus corridor transit enhancements.

I will highlight four of the major projects currently in progress. None of these projects would have been possible without the ARRA funding.

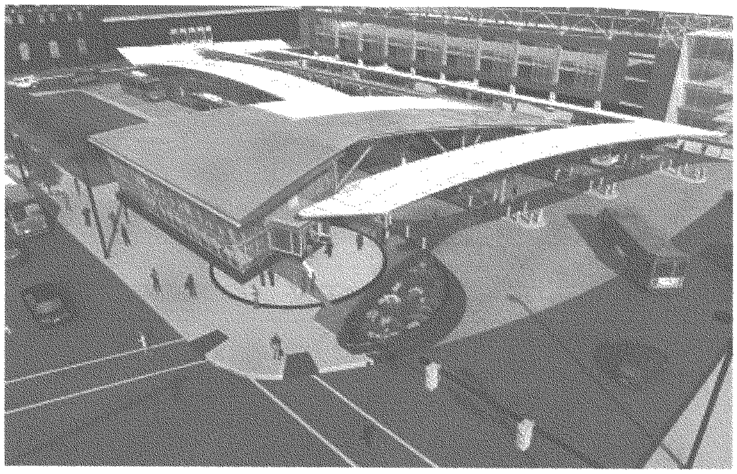
Puritas Rail Station Rehabilitation – The 40-year old Red Line Puritas/West 150th Street Rail Station was in need of major improvements to address accessibility and functional deficiencies. It is a major westside park-n-ride station that, in addition to serving current transit customers, will provide needed traffic congestion mitigation during a major multi-year highway bridge reconstruction that will begin in 2011. The rehabilitated station will include two entry buildings, a new pedestrian bridge, elevators, expanded parking lot, landscaping and other improvements. Construction bids were received on April 2 of this year, construction contracts were awarded on April 21, and construction started on June 1. The project will be completed by the end of 2010. $5.3 million of ARRA grants and $6.3 million of existing grants are funding this project.

East 55th Street Rail Station Rehabilitation - This project will consolidate the track level from two separate platforms, serving our light rail and heavy rail services to a single center-loading platform. The 50-year old existing station consists of canopied stairways and wooden platforms, with little space for passengers to wait. This station serves all three rail lines in RTA's system. Construction bids were received on June 10 of this year, construction contracts were awarded on June 30, and construction started on August 10. The project will be completed in the summer of 2011. $5.8 million of ARRA grants and $5.7 million of existing grants are funding this project.



Heavy Rail Rehabilitation Program – This project funds the acquisition of the additional equipment and replacement parts required for the reconstruction of the 40 heavy rail train cars that provide service on the RTA Rail Line. This project is to extend the useful life of these 20-year-old rail cars while improving safety, reliability and comfort for our passengers. Approximately $3.9 million in material contracts have been awarded to date, and an additional seven contracts are in the procurement process. A unique feature of this program is that it serves as the nucleus of RTA's apprenticeship training program for rail mechanics. Four instructors are now training and supervising 15 apprentices, who will be fully qualified to fill jobs in our rail shop when this project is completed. Much of this labor is also being reimbursed with $1.5 million of ARRA funding.

Stephanie Tubbs Jones Intermodal Transit Center – Named in honor of our former Congresswoman, a strong supporter of public transit, this project is very special to me personally. Located at the corner of East 22nd and Prospect Streets, this center, which includes construction of a 2,000 square foot passenger waiting area, approximately 46,000 square feet of staging area and 16 bus bays, will provide a clean, safe and first class busport that will serve over 500 buses and thousands of customers daily. Construction bids were received on July 13 of this year and contracts were awarded on July 28, with the groundbreaking taking place on September 10, which would have been Stephanie's sixtieth birthday. This facility will be completed in late 2010. $4.4 million of ARRA grants and $4.9 million of existing grants, including earmarks supported by Stephanie, are funding this project.



With your indulgence I will spend just one minute on the importance of the ARRA funds that were used for operating assistance. My premise is that every job is not just a job; , some jobs are simply more important than others. Operating funding under ARRA allowed RTA to preserve the jobs of 57 bus operators. But, that's only a small piece of the story. Fulfilling their normal mission, these 57 retained bus operators are bringing thousands of workers to work every day that might not be able to get to work without these bus operators doing their very important jobs. This is a tremendous return on investment!

As we look towards 2010, the picture is not a particularly good one. The economic downturn in Cleveland is severe and is not rebounding. RTA's primary operating funding source, the 1 percent countywide sales tax, is down by over 11 percent, or nearly $20 million in 2009, as compared to 2008 levels.

Our proposed operating 2010 budget calls for additional service cuts of 12 percent and a fare increase of 50 cents beginning in April 2010, as well as postponing of a number of capital improvement projects. We, like many in the transit industry, are in a difficult financial situation at a time when our customers and the nation need our services more than ever.

We urge you to reauthorize the transportation bill at the highest level of investment possible and to allow greater flexibility to address operational pressures. I know this has been previously discussed, and dismissed, but it is imperative that the issue be revisited once again.

In that regard, let me make a suggestion. Why not allow the cost of fuel by transit systems to be a capitalized expense? Be it electricity to run our trains, or CNG, or clean diesel to run buses, this can be a significant benefit to all transit systems, both large and small, and can help us to get through this recession

The Committee has also requested an update on ARRA investments in public transportation across the country. The Federal Transit Administration (FTA) has obligated 87.6 percent of the available funds: $7.2 billion for 690 grants. Approximately $459 million for 55 grants are pending review and approval, leaving only approximately 7 percent of funds remaining for obligation.

ARRA funds have gone towards projects such as rail modernization, new bus purchases (12,000 to date!), renovation and construction of bus facilities, deferred and preventive maintenance, and expansion of light rail lines, to give just a few examples. These investments provide much-needed capital improvements as well as more energy efficient equipment and vehicle upgrades that will save money on energy costs over the long term.

As Congress works to address our nation's economic challenges, additional infrastructure investment must be part of the solution. A recent report published this fall by the Economic Development Research Group entitled the "Economic Impact on Public Transportation Investment" found that every billion dollars of federal investment in public transportation yields 30,000 jobs. APTA recently completed a nationwide survey of public transit systems and has identified more than $15 billion in transit capital projects that are "ready to go" within the next 90 days. These projects are estimated to support more than 450,000 jobs.

In response to the recent APTA survey, RTA has identified an additional five "shovel ready" capital improvement projects (three rail station rehabilitations, rail bridge rehabilitation and rail track section rehabilitation) totaling $37.7 million that we could have under construction in 2010 if additional capital funding becomes available.

In addition to the $15 billion identified for capital projects, the majority of transit systems surveyed stated unequivocally that further federal assistance is required to stave off service cuts and employee layoffs. At RTA, we need an additional $14.4 million in operating funds to prevent our proposed service cuts and fare increases in 2010.

RTA is not alone - more than 80 percent of public transit systems are dealing with flat or decreased funding from local, regional, and state funding sources this year. Among the transit systems facing decreased funding, nine out of ten were forced to raise fares or make service cuts. This is untenable at a time when more and more people are relying on public transit to go about their daily lives.

The acute need for improving public transportation systems combined with the proven economic benefits of such investments clearly indicate that any legislation designed to create jobs must have a strong public transportation component.

STATEMENT OF
THE HONORABLE JOHN D. PORCARI
DEPUTY SECRETARY OF TRANSPORTATION

BEFORE THE
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
U.S. HOUSE OF REPRESENTATIVES

DECEMBER 10, 2009

Chairman Oberstar, Ranking Member Mica, and Members of the Committee, I want to thank you for the opportunity to appear before you today to discuss the Department of Transportation's (DOT) progress in implementing the American Recovery and Reinvestment Act of 2009 (Recovery Act).

December 6th marked the beginning of the 43rd week since the Recovery Act was enacted into law. During this time, DOT has made substantial progress in implementing the goals of this legislation. Today, I want to share with you some of the highlights of our progress and our plans going forward. DOT received $48.1 billion in resources to support infrastructure improvements and create and sustain jobs throughout the transportation sector. In the 42nd week following enactment, DOT had obligated a total of $31.8 billion on nearly 11,000 projects nationwide. More than 7,100 of these projects are already underway or completed and more come on-line everyday.

DOT outlays are also on a steady path upward. By the 32nd week of the Recovery Act implementation, DOT had reported $3.4 billion in outlays. In the ten weeks that followed, outlays continued to climb an average of $342 million each week reaching $6.8 billion in our most recent report. This is good news and we expect this trend to continue as larger projects come on-line.

This overall progress is just one part of the story. Each of the DOT Operating Administrations has achieved significant results worth noting. For example, the Federal Aviation Administration's funding has been used to support 355 airport projects representing $1.1 billion. I want to particularly highlight the positive results we are seeing from the Recovery Act's exemption to the Alternative Minimum Tax. Fifty-seven transactions representing about $7.3 billion in airport bonds have been sold at 33 different airports. Thirty-five of these transactions representing about $5.9 billion have resulted in reduced financing costs, saving an estimated $600 million that can be redirected toward other projects. This provision is helping us leverage our funding to get the most out of Recovery Act resources.

Also, the Federal Aviation Administration's Facilities and Equipment funding is being used to support approximately 300 projects representing $200 million. Two hundred and eighty-four of those projects are currently underway and 135 of those projects have been completed.

The Federal Highway Administration (FHWA) is also reporting record progress. FHWA has authorized more than $21 billion in funding for nearly 9,500 projects representing 80% of the total funds provided to States. This has all been accomplished in the last ten months since the Recovery Act was passed and while FHWA continues to administer its traditional program.

Similarly, to date the Federal Transit Administration (FTA) has awarded nearly 700 grants totaling $7.2 billion. An additional $500 million of projects is in the pipeline. In August, FTA set a goal of providing 10,000 new transit vehicles by December 31, 2009. As of the first week of December, they have already achieved and exceeded this goal with the record purchase of 10,745 new transit vehicles.

DOT is also pressing forward on other new initiatives included in the Recovery Act including implementation of the new high-speed rail program. The Recovery Act includes $8 billion for capital assistance for high speed rail corridors and intercity passenger rail service, and we are preparing to make awards to advance the program. The application process has closed and the Federal Railroad Administration has been reviewing and evaluating all of the applications received. In preparation for this new transportation option, Secretary LaHood and I participated in a forum last week with 30 manufacturing firms that have committed to either establishing or expanding the manufacturing of parts, supplies and equipment -- right here in the United States -- to support high speed rail. Improved intercity passenger rail and a new high speed rail industry will provide an opportunity to revitalize an entire American manufacturing sector and will create new jobs here at home.

The Recovery Act also provided $1.5 billion to the Office of the Secretary for discretionary grants to be used for projects that represent multi-modal transportation solutions and projects that include elements of innovative and lasting contributions to the Nation's transportation infrastructure. The Department received 1,400 applications and we are currently conducting an intensive review process. We expect to announce the grant recipients in January 2010 ahead of the February deadline.

While we are pleased with the Department's progress, we know the Recovery Act is about more than an efficient implementation process. It is about the impact on the lives of our citizens. Keith Kist, a construction worker in Cleveland, Ohio was hired back to work on a Recovery Act project building a new airport runway. Keith says that it's a "heck of a good feeling" knowing that there's work for him to do, and he's optimistic that the Recovery Act will provide work for more laborers in his local construction union.

Sean Langois a construction worker from Manchester, New Hampshire has a similar story. After being forced to leave home to find work in Canada, Sean was happy to be able to return to New Hampshire to take a full-time job as a general laborer on a Recovery Act road-widening project. These workers, and many thousands like them, can look forward to a paycheck that ensures that their families have the resources they need.

There is no question the Recovery Act is working as intended, putting Americans to work while making long-term investments in our infrastructure. Equally important is DOT's commitment to ensuring that all funds are spent wisely, that the program meets all Federal reporting requirements, and that we are able to share accurate information with the American people about our progress. We have long-standing relationships with the State Departments of Transportation, Regional Transit and Airport Authorities and local partners that have enabled us to gather project specific information and employment levels through traditional avenues.

DOT recently participated in the first-ever Section 1512 jobs reporting effort required under the Recovery Act. Section 1512 requires Recovery Act fund recipients to report information about their Recovery Act projects including information on the number of jobs created. Overall, DOT recipients did an excellent job in responding to this data request with more than 96% of recipients responding. One major error resulted in the under reporting of about 1,200 jobs that were miscoded to the Veterans Administration. All told, recipients reported the creation of more than 46,400 direct jobs during this first reporting cycle. This does not include the indirect jobs that result from increases in supply chains, equipment or other supporting services. Nor does it include jobs that result when reemployed workers use their resources to purchase goods and services in the local economy. When these factors are taken into account, the impact of these jobs has a ripple effect creating many more jobs than those reflected as direct jobs. We expect that that recipient reporting process will continue to improve as we prepare for the next reporting cycle in January.

While we are pleased with the progress DOT has made, there is still more work to be done to implement the goals of the Recovery Act. We look forward to our continued progress and success in ensuring that these critical resources are at work improving our infrastructure and providing jobs for America.

This concludes my testimony and I will be pleased to answer your questions.

* * * * *

FHWA ARRA Projects in Economically Distressed Areas (EDA)
as of December 7, 2009

State or Territory	Total Percent of Projects in EDA	Total Percent of Funds Obligated in EDA	Total Percent EDA Population in the State*
ALABAMA	71%	78%	54%
ALASKA	63%	56%	33%
AMERICAN SAMOA		0%	-
ARIZONA	100%	100%	22%
ARKANSAS	82%	72%	67%
CALIFORNIA	99%	99%	62%
COLORADO	13%	15%	25%
CONNECTICUT		0%	0%
DELAWARE	13%	22%	18%
DISTRICT OF COLUMBIA	100%	100%	100%
FLORIDA	31%	18%	34%
GEORGIA	67%	59%	51%
GUAM	100%	100%	-
HAWAII	26%	47%	14%
IDAHO	82%	78%	62%
ILLINOIS	73%	84%	22%
INDIANA	46%	52%	47%
IOWA	35%	58%	18%
KANSAS	64%	56%	35%
KENTUCKY	65%	68%	56%
LOUISIANA	98%	100%	30%
MAINE	38%	64%	34%
MARYLAND	14%	15%	16%
MASSACHUSETTS		0%	8%
MICHIGAN	80%	74%	91%
MINNESOTA	32%	29%	20%
MISSISSIPPI	83%	87%	65%
MISSOURI	72%	63%	59%
MONTANA	31%	41%	25%
N MARIANA		0%	-
NEBRASKA	56%	53%	18%
NEVADA	69%	75%	97%
NEW HAMPSHIRE		0%	0%
NEW JERSEY	7%	17%	12%
NEW MEXICO	72%	62%	54%
NEW YORK	38%	26%	19%
NORTH CAROLINA	42%	56%	45%
NORTH DAKOTA	24%	32%	6%
OHIO	86%	93%	47%
OKLAHOMA	79%	80%	39%
OREGON	45%	60%	53%
PENNSYLVANIA	48%	47%	35%
PUERTO RICO	100%	100%	-
RHODE ISLAND	45%	66%	80%
SOUTH CAROLINA	64%	65%	62%
SOUTH DAKOTA	42%	53%	15%
TENNESSEE	62%	73%	47%
TEXAS	54%	35%	26%
UTAH	44%	41%	50%
VERMONT	40%	49%	10%
VIRGIN ISLANDS	100%	100%	-
VIRGINIA	41%	43%	26%
WASHINGTON	79%	90%	24%
WEST VIRGINIA	84%	66%	72%
WISCONSIN	27%	17%	21%
WYOMING	18%	13%	2%
Grand Total	58%	57%	39%

* Population data based on November 6, 2009 FHWA HEPGIS map

AMERICAN ASSOCIATION OF
STATE HIGHWAY AND
TRANSPORTATION OFFICIALS

AASHTO
THE VOICE OF TRANSPORTATION

TESTIMONY OF

THE HONORABLE GARY RIDLEY

SECRETARY
OKLAHOMA DEPARTMENT OF TRANSPORTATION

ON BEHALF OF

THE AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS

REGARDING

THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

BEFORE THE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
U.S. HOUSE OF REPRESENTATIVES

DECEMBER 10, 2009

American Association of State Highway and Transportation Officials♦444 North Capitol Street, N.W., Suite 249, Washington, D.C. 20001♦202-624-5800

Mr. Chairman and Members of the Committee, my name is Gary Ridley. I am Secretary of the Oklahoma Department of Transportation and Chair of the American Association of State Highway and Transportation Officials (AASHTO) Construction Subcommittee. I am here today to testify on behalf of Oklahoma and AASHTO, which represents the departments of transportation in the fifty States, the District of Columbia and Puerto Rico.

First, I want to thank you, Mr. Chairman, for your leadership in ensuring that the American Recovery and Reinvestment Act of 2009 (ARRA), enacted almost ten months ago, included substantial funding for transportation investments. We appreciate that you and the Members of your Committee recognize the important contribution of transportation capital investments to improving our Nation's economic health and sustaining our competitiveness in the global marketplace as well as supporting American construction jobs.

You have held the States accountable, and I am proud to report to you today that the departments of transportation have kept our word and shown that we could quickly put ARRA dollars to work, investing in worthy projects and creating and sustaining good paying jobs. These transportation capital investments will leave future generations with a modernized transportation system and physical transportation assets lasting 50 to 100 years or more at the same time we have created or sustained "made-in- America" jobs.

Today, I want to emphasize three points –

- The State departments of transportation have delivered on the promise of quickly obligating ARRA funds, executing contracts, getting construction projects underway and putting workers on the job.
- The backlog of transportation infrastructure needs is substantial. State departments of transportation have identified an additional 9,500 projects valued at just under $70 billion that could be advanced quickly, creating and sustaining an additional 2.1 million jobs across rural and urban areas in all States.
- The Oklahoma Department of Transportation has been highly successful in rapidly transforming its ARRA apportionment into actual transportation projects on the ground. These projects range from simple, low cost preservation activity to multi-million dollar, complex construction projects. Oklahoma's successful experience offers lessons that we are sharing with all the States.

States have Quickly Moved to Get Projects Underway thereby Creating and Sustaining Good Paying Construction Jobs

It has been just over nine months since the ARRA highway funds were apportioned to the States on March 2, 2009. The pace with which the States have been able to get these dollars working on the ground is impressive.

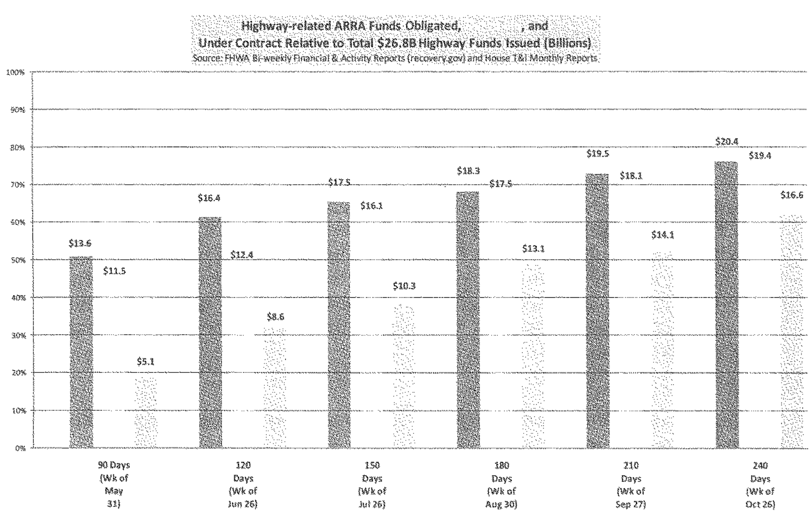
According to the U.S. Federal Highway Administration's daily tabulation, as of December 7, 2009, $21,088,012,490 or 79% of the ARRA highway dollars apportioned to the States has been obligated. FHWA estimates that there are 5,458 highway projects under construction in all 50

States, the District of Columbia, Puerto Rico and Federal Land Highways valued at $14.01 billion.

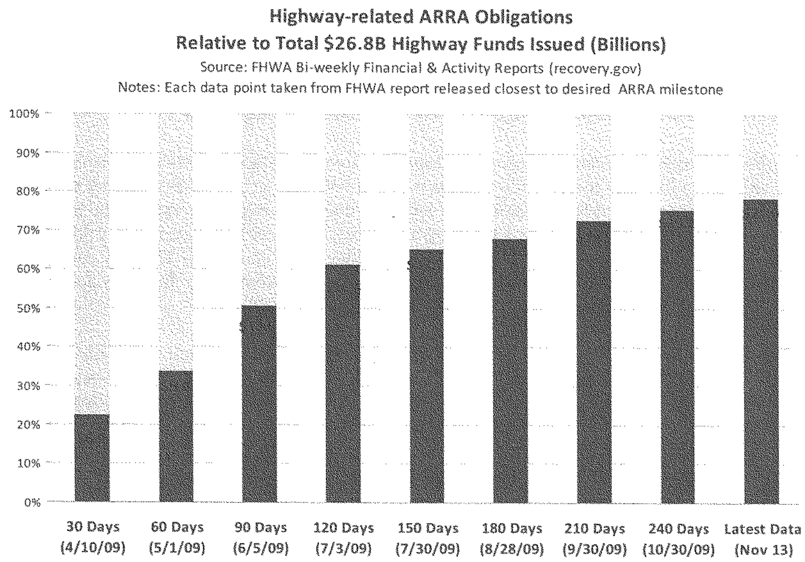
That, however, is only one part of the picture. AASHTO recently did an analysis of contract awards of ARRA funds for highway projects.

A key measure of how fast jobs can be created is the time frame for moving from obligations to contract awards. That final step puts the work in the hands of contractors and thus supports and creates jobs. The charts below demonstrate that under the ARRA program, substantial funds were moved from obligation (federal approval) to requesting bids (95 percent) and letting of contracts (81 percent). Once funds are approved by the federal government, the States are able to move quickly to advertising bids and awarding contracts. Construction firms, suppliers and fabricators start hiring or bringing workers back once bids are in, contracts signed and projects set to begin.

EXPERIENCE FROM ARRA IMPLEMENTATION



EXPERIENCE FROM ARRA IMPLEMENTATION



States have been Successful in Delivering Worthy Projects Across All Modes to Improve and Modernize our Transportation System

The orange barrels are out and workers are back on the job, and the capital investments that are being made in improving and modernizing our transportation system will have a long-lasting positive effect on our economy beyond immediate job creation: shoring up our fragile supply chain and enhancing all travel options.

The States are investing highway economic recovery funds in projects to deliver smoother and safer roads and bridges, to reduce congestion, and to long-term economic benefits while delivering good paying jobs. Congress also expanded the eligibility of the highway funds to include intercity passenger and freight rail and port projects, and states are using that flexibility.

Highway Funds for Rail Projects -- The Minnesota Valley Regional Railroad Authority is using $2.5 million in ARRA Highway funds for rail replacement, track improvements and safety upgrades along a 94-mile rail line, operated by the Minnesota Prairie Line Railroad. The new rail will support heavier rail cars and higher train speeds, providing operational efficiencies and faster deliveries

Highway Funds for Port Projects – The Duluth Port Authority is using $3 million in ARRA Highway funds for dock and navigation improvements at the Duluth harbor, including replacement of corroded sheet piling. The project will place protective steel plating around the perimeter of the 5,775-foot dock wall of the Port Authority's Clure Public Marine Terminal facility. The facility, operated by Lake Superior Warehousing Co., is a major shipment hub for wind energy components, handles a variety of other heavy-lift cargo (e.g. wood pulp and paper, steel coil and oil extraction equipment) and is designated a Foreign Trade Zone.

Highway Funds for Transit Projects – Maryland Governor Martin O'Malley announced recently that additional transportation projects worth $30 million could be funded by the American Recovery and Reinvestment Act (ARRA) due to savings generated by the intense competition for Maryland's ARRA highway and transit contracts advertised earlier this year. More than $17 million will be re-invested to rehabilitate the Mondawmin Transit Center in Baltimore, the Maryland Transit Administration's aging bus maintenance facilities and electrical systems critical to the operation of the Baltimore Light Rail system.

Highway Funds for Bike/Ped Projects- A prime example of ARRA Highway funds being put to work for bike and pedestrian projects is in Maupin, Oregon. The small town is a tourist hub in north central Oregon, located along the beautiful Deschutes River. The ARRA-funded project improves safety for pedestrians, supports local businesses and preserves the road system through the picturesque canyon. The project includes building new curbs and sidewalks, installing a new storm drainage system and reconstructing the roadway to reduce highway erosion from runoff.

Washington DOT has used $1.25 million ARRA Highway funds toward a $5.65 million project in Lynnwood, Washington designed to improve safety for pedestrians and bicyclists at the I-5/196th Street SW interchange. The DOT is constructing a new walkway on the 196th Street SW overpass and a pedestrian bridge over the existing southbound I-5 off-ramp.

Highway Funds for Transportation Enhancements – The Delaware Department of Transportation is using ARRA Highway funds for a number of transportation enhancements projects, including streetscape improvements Centreville, Delaware. They will repair or replace brick and concrete sidewalks, upgrade curb ramps to Americans with Disabilities Act standards, improve drainage, and upgrade crosswalks, signing and striping, and landscaping.

Highway Funds for Smoother, Safer Roads and Bridges – In Pennsylvania, one-third of recovery dollars, roughly $443 million of ARRA Highway funds has been used for repairs or renovations to extend the lives of 428 bridges.

Utah received $213 million in ARRA Highway funds, which are being used on 104 pavement preservation, bridge rehabilitation and capacity improvement projects statewide that would not have been completed without the stimulus funding. A Utah DOT spokesman recently said, "the goal was to spread the projects throughout all corners of the state, and rapidly use the funds to provide jobs throughout local communities and repair and replace roads and bridges in critical need."

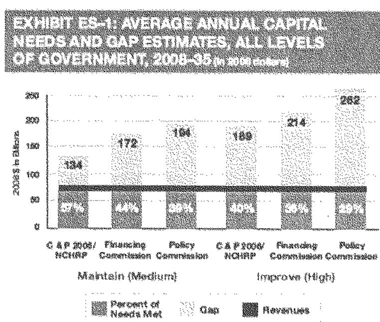
The Washington State Department of Transportation recently awarded a contract for a safety project on State Route 8 in Grays Harbor and Thurston counties. The $1.7 million project will involve the installation of high-tension cable barrier on a 20-mile stretch of arterial highway from Elma to US 101, increasing the safety of the roadway for the 17,000 motorists who drive it daily.

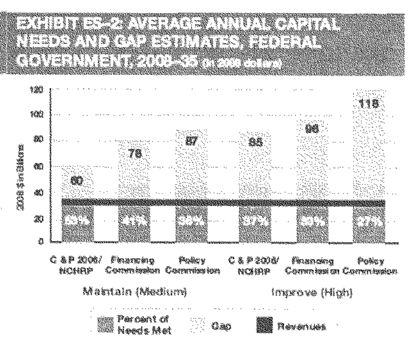
Highway Funds for Congestion Relief – In Arizona, more than 40 projects designed to create better highways for Arizona's drivers are now under construction, and $114.5 million in cost savings for these projects is being reinvested in additional transportation projects around Arizona. Included among the projects is the US 60/Grand Avenue widening project between Loop 303 and 99th Avenue in Maricopa County's West Valley. The project is Arizona's largest ARRA project—costing an estimated $45 million to add one lane in each direction through a 10-mile stretch, and it was the 6,000th highway project in the nation to receive approval for ARRA funding. Arizona DOT says that, "This is welcome news to the tens of thousands of drivers who regularly drive through this seriously congested corridor."

On November 23, Washington State DOT advertised the contract for the I-82/Valley Mall Boulevard Interchange in Yakima. $28.6 million in ARRA Highway funds enabled Washington DOT to advance this project that otherwise would have been delayed six years due to state funding constraints. The interchange provides access to and from I-82 for Union Gap and Yakima, and serves a growing commercial area with heavy traffic congestion.

The backlog of transportation infrastructure needs is substantial, and State departments of transportation have identified an additional 9,500 projects valued at $70 billion that could quickly be advanced to construction.

The National Surface Transportation Infrastructure Financing Commission found that the roots of our current transportation crisis lie in our failure as a nation to fully understand and, act on the costs of deferred investment in our surface transportation infrastructure, especially in the face of an aging infrastructure, a growing population, and an expanding economy.





The dollars made available by the American Recovery and Reinvestment Act of 2009 are indeed having a positive effect on our economies, and we appreciate the infusion of these dollars.

However, the backlog of ready to go projects is substantial, and there are many more projects ready to go than we have available economic recovery dollars.

AASHTO recently completed a survey of its 50 State departments of transportation, and the District of Columbia to assess the extent of additional transportation projects that the States could quickly get underway. The State transportation departments identified 9,500 highway, bridge, transit, port, rail, and aviation projects worth more than $69 billion that, if funded, could be used to create hundreds of thousands of jobs across the country.

We defined "Ready-to-go" as a project that could move through the federal approval process (i.e., be obligated) within 120 days of enactment of authorizing legislation, thus enabling the State to proceed toward construction.

SUMMARY OF PROJECTS THAT CAN BE OBLIGATED WITHIN 120 DAYS

Detailed individual state numbers are available from AASHTO

MODE	NUMBER OF STATES REPORTING (INCLUDING DC)	NUMBER OF PROJECTS	DOLLAR VALUE
Highways Subtotal	51	7,497	$47,263,676,719
Transit	34	983	$9,771,616,536
Rail	19	234	$3,493,567,900
Port	11	80	$581,900,000
Aviation	16	528	$1,813,165,986
Intermodal	10	266	$6,626,600,000
Other Modes Subtotal	34	1,899	$19,256,851,473
GRAND TOTAL	**51**	**9,588**	**$69,550,527,141**

ARRA: The Oklahoma Experience

Mr. Chairman, I am pleased to share the very successful experience that the Oklahoma Department of Transportation has had in implementing ARRA.

Beginning in early November, 2008, we utilized several hundred internal and private engineering and technical personnel to begin the preparation of engineering plans for targeted highway system Recovery Projects in anticipation of the availability of some type of economic stimulus funds.

Projects were selected to be advanced and accelerated from the fully vetted and critically needed improvements encompassed in the Department's Eight Year Construction Work Plan or on-going Pavement Preservation Programs. Projects were targeted with full consideration of the ability to complete all engineering activities and have them ready for contract letting quickly. Those with simple or completed environmental processes, no or fully completed right-of-way acquisitions and/or utility relocations and those with engineering requirements that could be expedited were given priority in the sole interest of achieving a heightened state of preparedness and without regard for political subdivision.

While the improvements encompassed by the targeted projects varied widely, particularly on the state highway system, many included complex, large scale reconstruction and rehabilitation of high traffic facilities. More than eighty percent of the available Recovery Act dollars have been invested in full pavement and bridge replacements or reconstruction work that will extend the life cycle of the highways many years.

The Department also initiated project preparation discussions with our two major metropolitan area planning organizations, the Association of Central Oklahoma Governments (ACOG) in Oklahoma City and the Indian Nations Council of Governments (INCOG) in Tulsa and with our County Commissioners. We advised these entities that they too should begin preparations in the interest of being ready if additional funds were to become available.

To that end, the Department advanced transportation projects with a value in excess of one billion dollars to shovel ready status by the end of January, 2009.

By closely monitoring the ongoing Congressional and Administration Recovery Act discussions during the crafting of the legislation, we began to anticipate the funding levels that might be available. As funding opportunities became more clearly defined, we were able to focus our project delivery strategies on our heavily traveled regional routes such as the Interstate and National Highway System. Also, recognizing that some funds would be sub-allocated, the Department continued our work to maintain open and productive communication lines with the two major metropolitan areas and our Counties to ensure they were represented and well prepared to move their projects forward quickly.

Concurrently, we were able to anticipate that the delivery requirements for Recovery Act projects would be inherently different from regular Federal-Aid transportation projects. The Recovery Act would mark the beginning of a new era of real-time scrutiny at the highest levels in the interest of government transparency, accountability and oversight.

Therefore, we prepared to meet all customary and extraordinary reviews, audits and ARRA-specific reporting requirements that could be imposed by the President, the Congress, the USDOT, the Office of Management and Budget, the Inspector General, the Government Accountability Office, the Oklahoma State Legislature and the State of Oklahoma Auditor and Inspector. In our preparations to comply with these extraordinary requirements, we identified and implemented several heightened risk management strategies related to the financing of all Recovery projects regardless of origination.

As part of its risk management strategy, Oklahoma imposed a prohibition on the utilization of ARRA funds for any negotiated or non-competitively bid contract or for "soft costs" associated with non-construction ARRA project activities. This action ensures that all ARRA project dollars are utilized for construction only. Construction projects are ideally suited for Recovery Act expenditures because they are openly and competitively bid through a familiar, time-tested and easily monitored process. When the project bids are awarded and the contracts are issued, the work is progressively reimbursed, consistently inspected, systematically monitored and regularly audited. In addition, any changes, modifications or deviations from the work as bid are presented to the Oklahoma Transportation Commission for their full and complete consideration and approval.

The Department financed the cost of construction engineering, inspection and testing for each Recovery project exclusively with non-ARRA funding sources.

In Oklahoma we set an exact amount of ARRA funding that would be available for individual Recovery projects. Each Recovery project was then split-funded with other funding sources to fully finance the actual awarded bid amount. In doing so, any and all additional construction costs incurred during the construction of the Recovery project through change order, modification or supplemental agreement are financed with the other funding sources as established.

We believe that these measures, while conservative, are prudent and necessary to cast the Oklahoma Department of Transportation and the State of Oklahoma in the best possible light in the utilization and expenditure of Recovery dollars.

Today, ten short months later, we find ourselves writing and reporting the closing chapters of the Recovery Act Highway Investment legacy. Of the $465 million available to Oklahoma, we have obligated almost $420 million or just over ninety percent. One hundred and eighty six Recovery projects have been obligated, one hundred and sixty six have awarded contracts, and forty one are completed.

Some of the projects are much more than simple rehabilitation projects. They include major and complex elements of construction and some are completely replacing badly deteriorated infrastructure. An example of one of our significant undertakings is the $70+ million dollar improvement to Interstate 244 in downtown Tulsa, better known as the Inner Dispersal Loop (IDL) (See attached summary). The IDL Recovery project requires a complete directional closure of the Interstate to facilitate full-depth pavement replacement and the major rehabilitation or replacement of approximately 40 bridges.

Another is a $60 million dollar complete reconstruction of eight miles of the original Interstate 40 west of Oklahoma City (see attached summary). This past Spring, Interstate 40 in Oklahoma was characterized by *Parade Magazine* as one of "The Worst Roads in America" and further described as "broken and potholed pretty badly." We appreciate *Parade's* perspective, research and comments, but we did not need them to tell us that Interstate 40 is not in good condition. The Department has been focusing our resources on I-40's expensive reconstruction to the extent that we can for many years. However, there is just not enough funding available to do an adequate job. The Recovery Act allowed the Department to dedicate more than $107 million of ARRA Highway funds to accelerate more than 48 miles of reconstruction and resurfacing work on many critical sections of Interstate 40. The ARRA Highway funds will also allow us to advance the schedule of even more work looking forward for the future. We are confident that significant progress is being made and soon I-40 will no longer bear *Parade's* dubious distinction.

Some of the smaller, but no less critical projects that have been initiated include more than $26 million invested on the County road system to replace more than fifty deficient bridges and another $26 million on the County road system to fund Americans with Disabilities Act (ADA) compliant sidewalk improvements in rural communities, which could never hope to meet ADA requirements without this financial assistance.

In this ten month window, since enactment of ARRA, the Department has paid out more than $240 million to construction contractors and those Recovery dollars are now pulsing through the economy. We have also eclipsed one million hours worked on Recovery Act projects as reported by those contractors. How many jobs those hours constitute depends on which of the numerous formulas and interpolations you choose to apply, but the numbers are undeniable and significant. Regardless of your viewpoint, those projects would not have been delivered and those hours would not have been worked without Recovery Act assistance.

Also of substantial consequence, we have recently completed the annual rebalancing of our Eight Year Construction Work Plan where we measure our performance, validate the scope, schedule and budgets of included projects and add a new year's worth of projected funding and projects. In recent years it was all we could do to maintain and continue the projects in the Plan due to cost escalations and flattening funding projections. This year because of the ARRA funds we were able to accelerate and deliver early many existing Construction Work Plan projects creating an ARRA domino effect that also accelerates other projects to completion well ahead of their existing schedules and enables us to advance new, additional projects. We all understand very clearly that time is money, and this has saved us substantial amounts of both.

In conclusion, we again express our gratitude to you, Mr. Chairman, and to the Committee for your inclusion of Highway investments in the provisions of the Recovery Act and for your leadership and commitment to this Nation's transportation infrastructure. One-time infusions of unanticipated funds are always welcomed and we have proven that we can deliver on our commitments. However, we would be remiss if we did not reiterate the need for a growing, consistent, long-term federal transportation investment strategy that identifies and introduces non-traditional revenue sources. If we fail to plan, we will surely plan to fail. We would be happy to answer any questions you may have.

OKLAHOMA DEPARTMENT OF TRANSPORTATION

Project Name: Tulsa Inter Dispersal Loop - West and north segments further described as Interstate 244 beginning just north of the Arkansas River and extending north then east to the US 75 North interchange for a total length of approximately 2.9 miles (see map below).

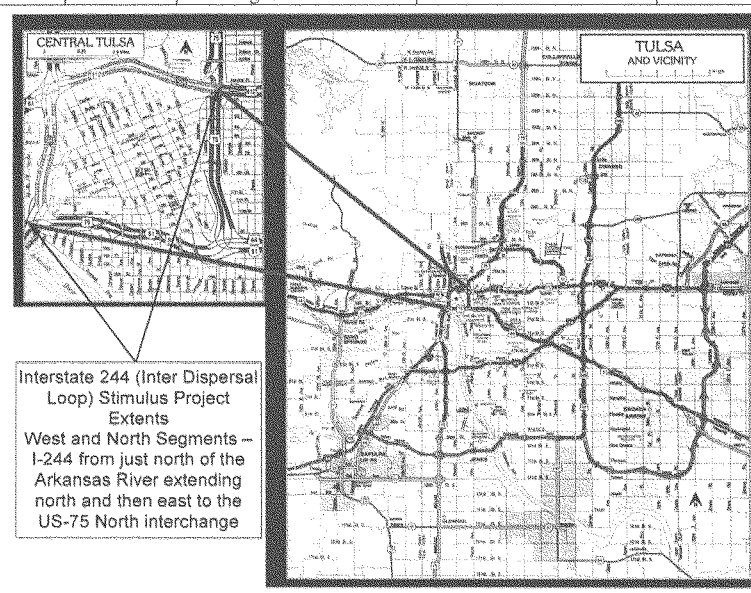
Project Type: Interstate Pavement Reconstruction and Major Bridge Rehabilitation

Project Cost: Total $72 Million, ARRA Funds $65 Million

Project Background: The section of I-244 was originally constructed in the early 1970s. These sections of interstate carry an average of 68,990 vehicles per day including an average of 7,590 trucks per day and has extensively deteriorated bridge decks and pavements.

Project Scope and Details: This project will rehabilitate 39 bridges and reconstruct approximately 23 lane miles of heavily deteriorated I-244 interstate pavement on the west and north segments of the Inter Disposal Loop section in Tulsa, Oklahoma. The project was let to construction as a single, multi-phase construction project as depicted and construction started in mid-April of 2009 with an extremely accelerated schedule.

Highway	County	Work Type	Description	ARRA Est.
I-244	Tulsa	Pavement Reconstruction /Bridge Rehabilitation	Inter Dispersal Loop (IDL)	$65,000,000



OKLAHOMA DEPARTMENT OF TRANSPORTATION

Project Name: Canadian County I-40

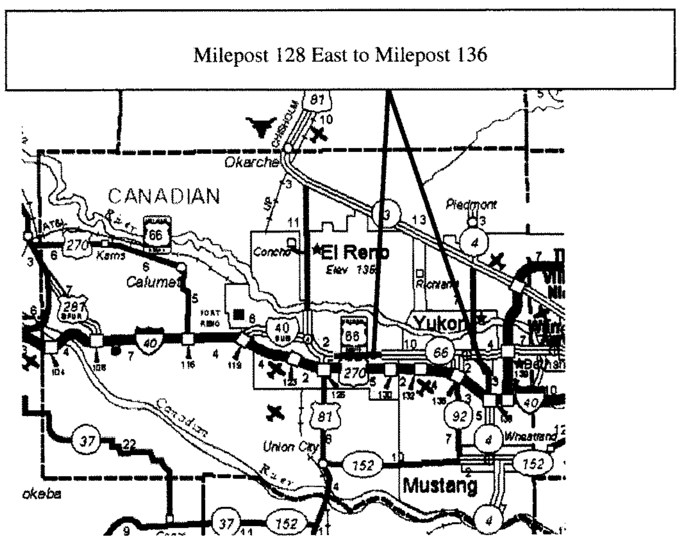
Project Type: Interstate Widening, Pavement Reconstruction and Bridge Reconstruction

Project Cost: Total $63 Million, ARRA Funds $30 Million (2 separate projects)

Project Background: This section of I-40 was built in 1969 and most recently received diamond grinding along the western half in 1992. It carries an average of 39,500 vehicles per day including an average of 11,060 trucks per day and has extensively deteriorated bridge decks and pavements.

Project Scope and Details: This project will replace 2 bridges, rehabilitate 4 bridges and reconstruct approximately 8 miles of heavily deteriorated I-40 interstate pavement from milepost 128 to milepost 136 in Canadian County, Oklahoma.

Highway	County	Work Type	Description	ARRA Est.	Projects
I-40	Canadian	Pavement Reconstruction /Bridge Reconstruction	M/P 128 to 136	$30,000,000	2



United States Government Accountability Office

GAO

Testimony
Before the Committee on Transportation and Infrastructure, House of Representatives

For Release on Delivery
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RECOVERY ACT

States' Use of Highway and Transit Funds and Efforts to Meet the Act's Requirements

Statement of Katherine A. Siggerud, Managing Director
Physical Infrastructure Issues

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GAO-10-312T

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Highlights

Highlights of GAO-10-312T, a testimony before the Committee on Transportation and Infrastructure, House of Representatives

Why GAO Did This Study

The American Recovery and Reinvestment Act of 2009 (Recovery Act) included more than $48 billion for the Department of Transportation's (DOT) investment in transportation infrastructure, including highways, rail, and transit. This testimony—based on GAO report GAO-10-231, issued on December 10, 2009, in response to a mandate under the Recovery Act—addresses (1) the uses of Recovery Act highway funding, including the types of projects states have funded and efforts by DOT and the states to meet the requirements of the act, and (2) the uses of Recovery Act transit funding and how recipients of Recovery Act funds are reporting information on the number of jobs created and retained under section 1512.

In GAO-10-231, GAO continues to examine the use of Recovery Act funds by 16 states and the District of Columbia (District), representing about 65 percent of the U.S. population and two-thirds of the federal assistance available through the act. GAO also obtained data from DOT on obligations and reimbursements for the Recovery Act's highway infrastructure and public transportation funds. GAO updates the status of agencies' efforts to implement previous GAO recommendations to help address a range of accountability issues as well as a matter for congressional consideration. No new recommendations are being made at this time. The report draft was discussed with federal and state officials, who generally agreed with its contents.

View GAO-10-312T or key components. For more information, contact Katherine A. Siggerud or A. Nicole Clowers at (202) 512-2834.

December 10, 2009

RECOVERY ACT

States' Use of Highway and Transit Funds and Efforts to Meet the Act's Requirements

What GAO Found

Three-quarters of Recovery Act highway funds have been obligated, and reimbursements from the Federal Highway Administration (FHWA) are increasing. As of November 16, 2009, $20.4 billion had been obligated for just over 8,800 highway projects nationwide and $4.2 billion had been reimbursed nationwide by FHWA. States continue to dedicate most Recovery Act highway funds for pavement projects, but use of funds may vary depending on state transportation goals. Almost half of Recovery Act highway obligations nationally have been for pavement improvements—including resurfacing, rehabilitating, and reconstructing roadways. About 10 percent of funds has been obligated to replace and improve bridges, while 9 percent has been obligated to construct new roads and bridges. States are taking steps to meet Recovery Act highway requirements; for example, both state and federal officials believe the states are on track to obligate all highway funds by the March 2010 1-year deadline. However, two factors may affect some states' ability to meet the requirement. First, many states are awarding contracts for less than the original cost estimates; this allows states to have funds deobligated and use the savings for other projects, but additional projects must be identified quickly. Second, obligations for projects in suballocated areas, while increasing, are generally lagging behind obligations for statewide projects in most states and lagging considerably behind in a few states. In the weeks ahead, FHWA and the states have the opportunity to exercise diligence to both promptly seek deobligation of known savings and to identify projects that make sound use of Recovery Act funding.

The Federal Transit Administration reports that the majority of transit funds have been obligated. As of November 5, 2009, almost $6 billion of the $6.9 billion appropriated for the Transit Capital Assistance Program had been obligated nationwide. Almost 88 percent of these obligations are being used for transit facilities, bus fleets, and preventive maintenance. The remaining funds are being used for rail car purchases, leases, and training, among other things—all of which are eligible expenses. Through our ongoing audit work, GAO continued to find confusion among recipients about how to calculate the numbers of jobs created and saved that is required by Recovery Act reporting requirements. First, a number of transit agencies continue to express confusion about calculating the number of jobs resulting from Recovery Act funding, especially with regard to using Recovery Act funds for purchasing equipment, such as new buses. The second area of confusion GAO found involved the methodology recipients were using to calculate full-time equivalents for the recipient reporting requirements. For example, in one state, four transit entities used a different denominator to calculate the number of full-time equivalent jobs they reported on their recipient reports for the period ending September 30, 2009. In its September 2009 report, GAO recommended that DOT continue its outreach to transit agencies regarding reporting requirements and provide additional guidance, as appropriate. DOT officials stated that they are continuing outreach to transit agencies and will continue to assess the need to provide additional information.

December 10, 2009

Mr. Chairman and Members of the Committee:

I am pleased to be here to discuss our work examining selected states' use of funds made available for highway infrastructure projects and public transportation under the American Recovery and Reinvestment Act of 2009 (Recovery Act).[1] Congress and the administration have fashioned a significant response to what is generally considered to be the nation's most serious economic crisis since the Great Depression. The Recovery Act's combined spending and tax provisions are estimated to cost $787 billion, including more than $48 billion in spending by the U.S. Department of Transportation (DOT) for investments in transportation infrastructure such as highways, passenger rail, and transit. The Recovery Act specifies several roles for GAO, including conducting ongoing reviews of selected states' and localities' use of funds made available under the act. We recently completed our fourth review, being issued today, which examined a core group of 16 states, the District of Columbia (District), and selected localities.[2] Our review of transportation programs focused on the Recovery Act funding provided for highway and transit programs.

My statement today is based largely on our fourth review and addresses (1) the uses of Recovery Act highway funding, including the types of projects states have funded and efforts by DOT and the states to meet the requirements of the act, and (2) the uses of Recovery Act transit funding and how recipients of Recovery Act funds are reporting information on the number of jobs created and retained. The states selected for our review contain about 65 percent of the U.S. population and are estimated to receive collectively about two-thirds of the intergovernmental federal assistance funds available through the Recovery Act. We selected these states and the District on the basis of federal outlay projections, percentage of the U.S. population represented, unemployment rates and changes, and a mix of states' poverty levels, geographic coverage, and representation of both urban and rural areas. We also obtained data from

[1]Pub. L. No. 111-5, 123 Stat. 115 (Feb. 17, 2009).

[2]GAO, *Recovery Act: States' and Localities' Use of Funds and Efforts to Ensure Accountability*, GAO-10-231 (Washington, D.C.: December 10, 2009). The states that were the focus of our review were Arizona, California, Colorado, Florida, Georgia, Illinois, Iowa, Massachusetts, Michigan, Mississippi, New Jersey, New York, North Carolina, Ohio, Pennsylvania, and Texas.

DOT on obligations and reimbursements for the Recovery Act's highway infrastructure funds. We conducted performance audits for our fourth review from September 2009 to December 2009 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

The Recovery Act provides funding to states for restoration, repair, and construction of highways and other activities allowed under the Federal-Aid Highway Surface Transportation Program and for other eligible surface transportation projects. In March 2009, $26.7 billion was apportioned to all 50 states and the District for highway infrastructure and other eligible projects. The Recovery Act requires that 30 percent of these funds be suballocated, primarily based on population, for metropolitan, regional, and local use. Highway funds are apportioned to states through federal-aid highway program mechanisms, and states must follow existing program requirements, which include ensuring the project meets all environmental requirements associated with the National Environmental Policy Act (NEPA), paying a prevailing wage consistent with federal Davis-Bacon Act requirements, complying with goals to ensure disadvantaged businesses are not discriminated against in the awarding of construction contracts, and using American-made iron and steel in accordance with Buy America program requirements. While the maximum federal fund share of highway infrastructure investment projects under the existing federal-aid highway program is generally 80 percent, under the Recovery Act, it is 100 percent.

The Recovery Act appropriated $8.4 billion to fund public transit throughout the country mainly through three existing Federal Transit Administration (FTA) grant programs, including the Transit Capital Assistance Program and the Fixed Guideway Infrastructure Investment program.[3] The majority of the public transit funds—$6.9 billion (82 percent)—was apportioned for the Transit Capital Assistance Program, with $6 billion designated for the urbanized area formula grant program and $766 million designated for the nonurbanized area formula grant program.[4] Under the urbanized area formula grant program, Recovery Act funds were apportioned to large and medium urbanized areas—which in some cases include a metropolitan area that spans multiple states—throughout the country according to existing program formulas. Recovery Act funds were also apportioned to states for small urbanized areas and nonurbanized areas under the formula grant programs using the program's existing formula. Transit Capital Assistance Program funds may be used for such activities as facilities renovation or construction, vehicle replacements, preventive maintenance, and paratransit services. Up to 10 percent of apportioned Recovery Act Transit Capital Assistance funds may also be used for operating expenses.[5] The Fixed Guideway Infrastructure Investment program was appropriated $750 million, of which $742.5 million was apportioned by formula directly to qualifying urbanized areas.[6] The funds may be used for any capital projects to maintain, modernize, or

[3]The other public transit program receiving Recovery Act funds is the Capital Investment Grant program, which was appropriated $750 million. The Transit Capital Assistance Program and the Fixed Guideway Infrastructure Investment program are formula grant programs, which apportions funds to states or their subdivisions by law. Grant recipients may then be reimbursed for expenditures for specific projects based on program eligibility guidelines. The Capital Investment Grant program is a discretionary grant program, which provides funds to recipients for projects based on eligibility and selection criteria.

[4]Urbanized areas are areas encompassing a population of not less than 50,000 people that have been defined and designated in the most recent decennial census as an "urbanized area" by the Secretary of Commerce. Nonurbanized areas are other areas—that is, areas that do not have a population density of at least 50,000 people. Nonurbanized areas are areas in a state that are not designated as urbanized areas.

[5]The 2009 Supplemental Appropriations Act authorizes the use of up to 10 percent of funds apportioned to urbanized and nonurbanized areas for operating expenses. Pub. L. No. 111-32, § 1202, 123 Stat. 1859, 1908 (June 24, 2009). Usually, operating assistance is not an eligible expense for transit agencies within urbanized areas with populations of 200,000 or more.

[6]Generally, to qualify for funding under the applicable formula grant program, an urbanized area must have a fixed guideway system that has been in operation for at least 7 years and is more than one mile in length. Fixed guideway systems are permanent transit facilities that may use and occupy a separate right-of-way for the exclusive use of public transportation services. These fixed guideway systems include rail (light, heavy, commuter, and streetcar) and may include busways (such as bus rapid transit).

improve fixed guideway systems.[7] The maximum federal fund share for projects under the Recovery Act's Transit Capital Assistance Program and the Fixed Guideway Infrastructure Investment program is 100 percent; the federal share under the existing programs is generally 80 percent.

As they work through the state and regional transportation planning process, designated recipients of funds apportioned for transit—typically public transit agencies and metropolitan planning organizations (MPO)—develop a list of transit projects that project sponsors (typically transit agencies) submit to FTA for Recovery Act funding.[8] FTA reviews the project sponsors' grant applications to ensure that projects meet eligibility requirements and then obligates Recovery Act funds by approving the grant application. Project sponsors must follow the requirements of the existing programs, which include ensuring the projects funded meet all regulations and guidance pertaining to the Americans with Disabilities Act (ADA), pay a prevailing wage consistent with federal Davis-Bacon Act requirements, and comply with goals to ensure disadvantaged businesses are not discriminated against in the awarding of contracts.

[7]This may include the purchase or rehabilitation of rolling stock, track, equipment, or facilities. These funds are specifically provided for fixed guideway modernization and cannot be used for investment in new fixed-guideway capital projects.

[8]Designated recipients are entities designated by the chief executive officer of a state, responsible local officials, and publicly owned operators of public transportation to receive and apportion amounts that are attributable to transportation management areas. Transportation management areas are areas designated by the Secretary of Transportation as having an urbanized area population of more than 200,000, or upon request from the governor and metropolitan planning organizations designated for the area. Metropolitan planning organizations are federally mandated regional organizations, representing local governments and working in coordination with state departments of transportation, that are responsible for comprehensive transportation planning and programming in urbanized areas. MPOs facilitate decision making on regional transportation issues, including major capital investment projects and priorities. To be eligible for Recovery Act funding, projects must be included in the region's Transportation Improvement Program and the approved State Transportation Improvement Program (STIP).

Most Highway Recovery Act Funding Has Been Obligated, and DOT and the States Are Taking Steps to Meet the Act's Requirements

Most Highway Funds Have Been Obligated, and Reimbursements Are Increasing

Three quarters of Recovery Act funds provided for highway infrastructure investment has been obligated nationwide and in the 16 states and the District that are the focus of our review. For example, as of November 16, 2009, $20.4 billion of the funds had been obligated for just over 8,800 projects nationwide and $4.2 billion had been reimbursed.[9] In the 16 states and the District, $11.9 billion had been obligated for nearly 4,600 projects and $1.9 billion had been reimbursed.

Table 1 shows the funds apportioned and obligated nationwide and in selected states as of November 16, 2009.

Table 1: Recovery Act Highway Apportionments and Obligations Nationwide and in Selected States as of November 16, 2009

Dollars in billions

State	Apportionment	Obligation: Obligated amount	Obligation: Percentage of apportionment obligated
Arizona	522	299	57
California	2,570	2,085	81
Colorado	404	346	86
District of Columbia	124	106	86
Florida	1,347	1,123	83

[9]For the Federal Highway Program, the U.S. Department of Transportation (DOT) has interpreted the term obligation of funds to mean the federal government's commitment to pay for the federal share of the project. This commitment occurs at the time the federal government signs a project agreement.

State	Apportionment	Obligation	
		Obligated amount	Percentage of apportionment obligated
Georgia	932	710	76
Illinois	936	784	84
Iowa	358	342	96
Massachusetts	438	252	58
Michigan	847	716	84
Mississippi	355	306	86
New Jersey	652	492	75
New York	1,121	833	74
North Carolina	736	659	90
Ohio	936	488	52
Pennsylvania	1,026	925	90
Texas	2,250	1,396	62
Selected states total	**15,551**	**11,864**	**76**
U.S. total	**26,660**	**20,422**	**77**

Source: GAO analysis of Federal Highway Administration data.

Note: Obligation data does not include obligations associated with $290 million of apportioned funds that were transferred from the Federal Highway Administration (FHWA) to the Federal Transit Administration (FTA) for transit projects. Generally, FHWA has authority pursuant to 23 U.S.C. § 104(k)(1) to transfer funds made available for transit projects to FTA.

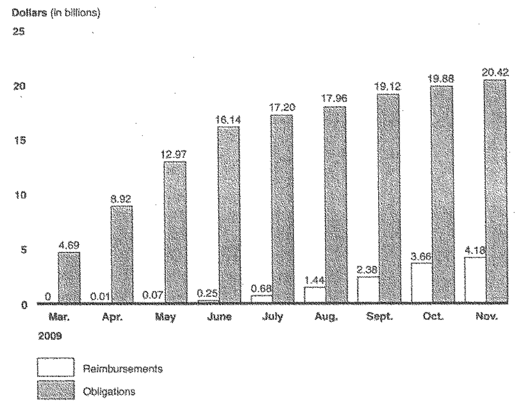
As of November 16, 2009, $4.2 billion had been reimbursed nationwide by the Federal Highway Administration (FHWA), including $1.9 billion reimbursed to the 16 states and the District.[10] These amounts represent 20 percent of the Recovery Act highway funding obligated nationwide and 16 percent of the funding obligated in the 16 states and the District. As we reported in our September report, because it can take 2 or more months for a state to bid and award the work to a contractor and have work begin after funds have been obligated for specific projects, it may take months before states request reimbursement from FHWA.[11] However reimbursements have increased considerably over time, from $10 million in April to $4.2 billion in mid-November. Reimbursements have also

[10]States request reimbursement from FHWA as the state makes payments to contractors working on approved projects.

[11]Once the contract is awarded and contractors mobilize and begin work, states make payments to these contractors for completed work; states may request reimbursement from FHWA. FHWA, through the U.S. Department of the Treasury, is required to pay the state promptly after the state pays out of its own funds for project-related purposes.

increased considerably since we reported in September, when $604 million had been reimbursed to the 16 states and the District and $1.4 billion had been reimbursed nationwide. See figure 1.

Figure 1: Cumulative Recovery Act Highway Funds Obligated and Reimbursed by FHWA Nationwide from March 30, 2009 to November 16, 2009



Source: GAO analysis of FHWA data.

Note: Obligation and reimbursement data does not include obligations or reimbursements associated with $290 million of apportioned funds that were transferred from FHWA to FTA for transit projects. Generally, FHWA has authority pursuant to 23 U.S.C. § 104(k)(1) to transfer funds made available for transit projects to FTA. November data is only for the first 16 days of the month.

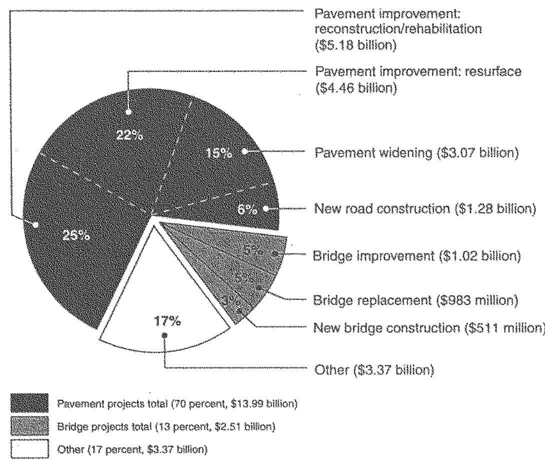
While reimbursement rates have been increasing, wide differences exist across states. Some differences we observed among the states were related to the complexity of the types of projects states were undertaking and the extent to which projects were being administered by local governments. For example, Illinois and Iowa have the highest reimbursement rates—36 percent and 53 percent of obligations, respectively—far above the national average. Illinois and Iowa also have a far larger percentage of funds devoted to resurfacing projects than other states—as discussed in the next section, resurfacing projects can be quickly obligated and bid. Florida and California have among the lowest reimbursement rates, less than 2 percent and 4 percent of obligations, respectively. Florida is using Recovery Act funds for more complex projects, such as constructing new roads and bridges and adding lanes to existing highways. Florida officials also told us that the pace of awarding contracts has been generally slower in areas where large numbers of projects are being administered by local agencies. In California, state officials said that projects administered by local agencies may take longer to reach the reimbursement phase than state projects due to additional steps required to approve local highway projects. For example, highway construction contracts administrated by local agencies in California call for a local public notice and review period, which can add nearly 6 weeks to the process. In addition, California state officials stated that localities tend to seek reimbursement in one lump sum at the end of a project, which can contribute to reimbursement rates not matching levels of ongoing construction.

States Continue to Dedicate Most Recovery Act Highway Funds for Pavement Projects, but Use of Funds Varies Depending on State Transportation Goals

Almost half of Recovery Act highway obligations nationally have been for pavement improvements—including resurfacing, rehabilitating, and reconstructing roadways—consistent with the use of Recovery Act funds in our previous reports. Specifically, $4.5 billion, or 22 percent, is being used for road resurfacing projects, while $5.2 billion, or 26 percent, is being used for reconstructing or rehabilitating deteriorated roads.[12] As we have reported, many state officials told us they selected a large percentage of resurfacing and other pavement improvement projects because those projects did not require extensive environmental clearances, were quick to design, could be quickly obligated and bid, could employ people quickly, and could be completed within 3 years. In addition to pavement improvement, other projects that have significant funds obligated include pavement widening (reconstruction that includes adding new capacity to existing roads), with $3 billion (15 percent) obligated, and bridge replacement and improvements, with $2 billion (10 percent) obligated. Construction of new roads and bridges accounted for 6 percent and 3 percent of funds obligated, respectively. Figure 2 shows obligations by the types of road and bridge improvements being made.

[12]Data is as of October 31, 2009. A total of $19.9 billion had been obligated nationwide as of that date.

Figure 2: National Recovery Act Highway Obligations by Project Improvement Type as of October 31, 2009



Source: GAO analysis of Federal Highway Administration data.

Note: Totals may not add due to rounding. "Other" includes safety projects, such as improving safety at railroad grade crossing, and transportation enhancement projects, such as pedestrian and bicycle facilities, engineering, and right-of-way purchases.

The total distribution of project funds by improvement type among the 16 states and the District closely mirrors the distribution nationally—however, we noted wide differences in how funds were used in these states. States have considerable latitude to select projects under both the Recovery Act and the regular Federal-Aid Highway Program, and as a result, states have adopted different strategies to use Recovery Act funding to meet the states' transportation goals and needs and promote long-term investment in infrastructure. The following are some examples:

- Illinois and Iowa have had a significant portion of their Recovery Act funds obligated for resurfacing projects—63 percent and 59 percent of funds, respectively, compared with 10 percent and 12 percent of funds in

Pennsylvania and Florida, respectively (the national average is 22 percent). Iowa officials told us that focusing on pavement projects allowed them to advance a significant number of needed projects, which will reduce the demand for these types of projects and free up federal and state funding for larger, more complex projects in the near future.

- According to California officials, under a state law enacted in March 2009, 62.5 percent of funds went directly to local governments for projects of their selection, while the remaining 37.5 percent is being used mainly for state highway rehabilitation and maintenance projects that, due to significant funding limitations, would not have otherwise been funded. According to California officials, distributing a majority of funds to localities allows a number of locally important projects to be funded.

- Mississippi used over half its Recovery Act funds for pavement improvement projects and around 14 percent of funds for pavement widening. The Executive Director of the state transportation department told us the Recovery Act allowed Mississippi to undertake needed projects and to enhance the safety and performance of the state's highway system. However, the Executive Director also said that the act's requirements that priority be given to projects that could be completed in 3 years resulted in missed opportunities to address long-term needs, such as upgrading a state roadway to interstate highway standards, that would have likely had a more lasting impact on Mississippi's infrastructure and economic development.

- In Florida, 36 percent of funds have been obligated for pavement-widening projects (compared with 15 percent nationally) and 23 percent for construction of new roads and bridges (compared with 9 percent nationally), while in Ohio, 32 percent of funds have been obligated for new road and bridge construction.

- Pennsylvania targeted Recovery Act funds to reduce the number of structurally deficient bridges in the state.[13] As of October 2009, 31 percent of funds in Pennsylvania were obligated for bridge improvement and replacement (compared with 10 percent nationally), in part because a

[13]The Highway Bridge Program classifies bridge conditions as deficient or not. A structurally deficient bridge is defined as a bridge with at least one or more components in poor condition.

significant percentage (about 26 percent, as of 2008) of the state's bridges are structurally deficient.[14]

- Massachusetts has used most of its Recovery Act funds to date for pavement improvement projects, including 30 percent of funds for resurfacing projects and 43 percent of funds for reconstructing or rehabilitating deteriorated roads. A Massachusetts official told us that the focus of its projects for reconstructing and rehabilitating roads, as well as the focus of future project selections, is to select projects that promote the state's broader long-term economic development goals. For example, according to a Massachusetts official, the Fall River development park project supports an economic development project and includes construction of a new highway interchange and new access roadways to a proposed executive park. FHWA officials expressed concern that Massachusetts may be pursuing ambitious projects that run the risk of not meeting Recovery Act requirements that all funds be obligated by March 2010.

States Are Taking Additional Steps to Meet Recovery Act Highway Requirements, Including the Obligation Deadline and the Economically Distressed Area and Maintenance-of-Effort Requirements

Recovery Act highway funding is apportioned under the rules governing the Federal-Aid Highway Program generally and its Surface Transportation Program in particular, and states have wide latitude and flexibility in which projects are selected for federal funding. However, the Recovery Act tempers that latitude with requirements that do not exist in the regular program, including the following requirements:

- States are required to ensure that all apportioned Recovery Act funds—including suballocated funds—are obligated within 1 year (before Mar. 2, 2010). The Secretary of Transportation is to withdraw and redistribute to eligible states any amount that is not obligated within this time frame.[15] Any Recovery Act funds that are withdrawn and redistributed are available for obligation until September 30, 2010.[16]

[14]See GAO, *Highway Bridge Program: Clearer Program Goals and Performance Measures Needed for a More Focused and Sustainable Program*, GAO-08-1043 (Washington, D.C.: Sept. 10, 2008).

[15]The Recovery Act provides that states that have had their statewide funds obligated before March 2, 2010, will be eligible to receive redistributed funds even if their suballocated funds have not been obligated. Recovery Act, div. A, title XII, 123 Stat. 115, 206.

[16]Recovery Act, div. A, §1603.

- Give priority to projects that can be completed within 3 years and to projects located in economically distressed areas. Distressed areas are defined by the Public Works and Economic Development Act of 1965, as amended.[17] According to this act, to qualify as an economically distressed area, the area must (1) have a per capita income of 80 percent or less of the national average; (2) have an unemployment rate that is, for the most recent 24-month period for which data are available, at least 1 percent greater than the national average unemployment rate; or (3) be an area the Secretary of Commerce determines has experienced or is about to experience a "special need" arising from actual or threatened severe unemployment or economic adjustment problems resulting from severe short- or long-term changes in economic conditions. In response to our recommendation, FHWA, in consultation with the Department of Commerce, issued guidance on August 24, 2009, that provided criteria for states to use for designating "special need" areas for the purpose of Recovery Act funding.[18]
- Certify that the state will maintain the level of spending for the types of transportation projects funded by the Recovery Act that it planned to spend the day the Recovery Act was enacted. As part of this certification, the governor of each state is required to identify the amount of funds the state plans to expend from state sources from February 17, 2009, through September 30, 2010.[19]

The first Recovery Act requirement is that states have to ensure that all apportioned Recovery Act funds—including suballocated funds—are obligated within 1 year. Over 75 percent of apportioned Recovery Act highway funds had been obligated as of November 16, 2009, both nationwide and among the 16 states and the District. Nine states and the District have higher obligation rates than the national average, including Iowa and the District—for which FHWA has obligated 96 percent and 86 percent of funds, respectively. Conversely, Arizona, Massachusetts, Ohio, and Texas have obligation rates of between 52 percent and 62 percent of apportioned funds. Officials at FHWA and state department of

[17] 42 U.S.C. § 3161.

[18] As we reported in September 2009, the criteria align closely with "special need" criteria used by the Department of Commerce's Economic Development Administration in its own grant programs, including factors such as actual or threatened business closures (including job loss thresholds), military base closures, and natural disasters or emergencies.

[19] Recovery Act, div. A, § 1201(a).

transportation officials in the states we reviewed generally believe that these states are on track to meet the March 2010 1-year deadline.

However, two factors may affect some states' ability to meet the 1-year requirement. First, many state and local governments are awarding contracts for less than the original estimated cost. This allows states to use the savings from lower contract awards for other projects, but additional projects funded with deobligated funds must be identified quickly. In order to use the savings resulting from the lower contract awards, a state must request FHWA to deobligate the difference between the official estimate and the contract award amount and then obligate funds for a new project.

Our analysis of contract award data shows that for the 10 states and the District, the majority of contracts are being awarded for less than the original cost estimates.[20] While there is a variation in the number of contracts being awarded for lower than their original estimates, every state we collected information from awarded at least half of its contracts for less than the original cost estimates. Some states had an extremely high number of contracts awarded at lower amounts. For example, California, Georgia, and Texas awarded more than 90 percent of their contracts for less than their cost estimates. We also found a significant variation in both the average amount and the range of the savings from contracts awarded at lower amounts. For example, in the District and Georgia, such contracts averaged more than 30 percent less than original state estimates, while in Colorado and Massachusetts, such contracts averaged under 15 percent less than original state estimates. In addition, there is also a significant range in individual projects, with the savings ranging from less then 1 percent under estimates in a number of states to

[20]The data provided included projects that had been awarded contracts and projects where contracts had not yet been awarded. Our analysis included projects that had official engineers' estimates and the contract award amount. Therefore, only projects that had values for the estimate and award amounts were included in our analysis. Although we examined the data for obvious discrepancies, the data we collected are self-reported by individual states. Therefore, the data may not be complete, and we consider the reliability of these data undetermined. Because of this, we are only reporting ranges and approximate percentages. Our analysis included data from states that had the data available as of November 19, 2009. In all, we reviewed 1,880 contracts, ranging from 12 contracts in the District to 587 contracts in Illinois. In addition, some states provided data for only state-awarded contracts, while other states provided both state and locally awarded contract data.

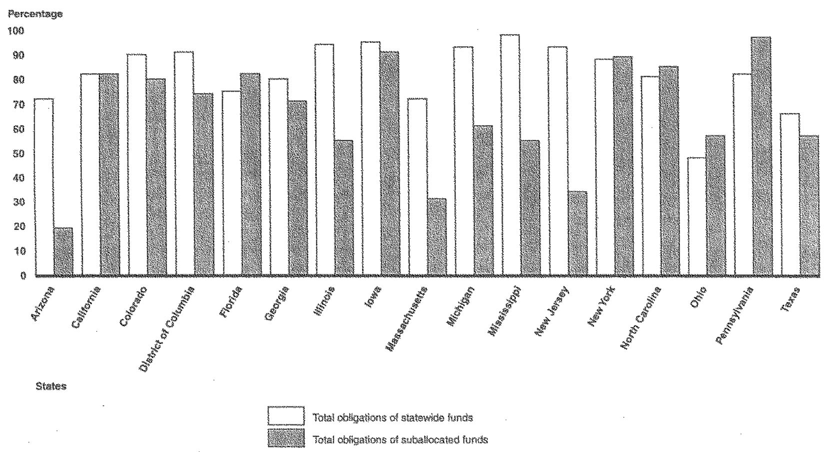
almost 55 percent under estimates in New York and over 90 percent under in Illinois.

Federal regulations require states to promptly review and adjust project cost estimates on an ongoing basis and at key decision points, such as when the bid is approved.[21] Many state officials told us that their state has already started the process of ensuring funds are deobligated and obligated to other highway programs and projects by the 1-year deadline. For example, in Colorado, officials are planning to use Recovery Act funds that are being deobligated by FHWA for 5 new projects, while in California, FHWA deobligated approximately $108.5 million and the state has identified 16 new projects for Recovery Act funding. FHWA officials told us they recognize the need to develop a process to monitor and ensure deobligation of Recovery Act funds from known savings before the 1-year deadline.

A second factor that may affect some states' ability to meet the 1-year requirement is that obligations for projects in suballocated areas, while increasing, are generally lagging behind obligations for statewide projects in most states and lagging considerably behind in a few states. In the 16 states and the District, 79 percent of apportioned statewide funds had been obligated as of October 31, 2009, while 65 percent of suballocated funds had been obligated. This represents an increase over what we reported in September 2009, when 75 percent of apportioned statewide funds had been obligated and 51 percent of suballocated funds had been obligated. Figure 3 shows obligations for statewide and suballocated areas in the 16 states and the District.

[21]Specifically, within 90 days after determining that the estimated federal share of project costs has decreased by $250,000 or more, states shall revise the federal funds obligated for a project. 23 C.F.R. § 630.106(a)(4). The funds deobligated through this process may be used for other FHWA-approved projects once the funds have been obligated by FHWA.

Figure 3: Percentage of Recovery Act Highway Apportionments That Have Been Obligated for States and Suballocated Areas in Selected States as of October 31, 2009



Source: GAO analysis of FHWA data.

Note: This figure includes only apportioned funds available for highways and excludes $290 million of apportioned funds that were transferred from FHWA to FTA for transit projects in nine states. Generally, FHWA has authority pursuant to 23 U.S.C. § 104(k)(1) to transfer funds made available for transit projects to FTA.

As shown in figure 3, and as we reported in September 2009, FHWA has obligated substantially fewer funds suballocated for metropolitan and local areas in three states. While the national average for obligations of Recovery Act funds for suballocated areas is 63 percent, as of October 31, New Jersey, Massachusetts, and Arizona had obligation rates of 34 percent, 31 percent, and 18 percent of these funds, respectively. Officials in these three states cited a number of reasons for this—including lack of familiarity by local officials with federal requirements and increased staff workload associated with Recovery Act projects—and reported they were taking a number of actions to increase obligations, such as imposing internal deadlines on local governments to identify and submit projects. As of October 2009, Arizona had awarded four contracts (one more than it had as of September 2009) representing $29 million of the $157 million of suballocated funds. This represents 18 percent of suballocated funds—a decline from the 21 percent of suballocated funds that had been obligated when we reported in September 2009. Arizona Department of Transportation officials told us that although one new contract had been awarded, the state's total obligation of suballocated funds had declined because some suballocated funds were deobligated after more contracts were awarded for less than the estimated amount. Officials also told us that if local governments are not able to advertise contracts for construction in suballocated areas prior to the March 2010 deadline, the state would use Recovery Act funds on "ready-to-go" statewide highway projects in those areas. Similarly, officials in two localities told us that if projects intended for Recovery Act funds were in danger of not having funds obligated by the deadline, they would use those funds on projects now slated to be funded with state dollars and use state funding for other projects.

Although states are working to have all of their suballocated funds obligated before March 2010, failure to do so will not prohibit them from participating in the redistribution of Recovery Act funds after March 2, 2010. The Secretary of Transportation is to withdraw highway funds, including suballocated funds, that are not obligated before March 2, 2010. A state that has obligated all of the funds that were apportioned for use by the state (those that were not suballocated) is eligible to participate in this redistribution, regardless of whether all of the state's suballocated funds have been obligated. FHWA has stated that it is in the process of developing guidance on how the redistribution of any Recovery Act funding that remains unobligated 1 year after apportionment. According to DOT officials, consistent with guidance in the Recovery Act, FHWA currently plans to model this redistribution after the process used each year in the regular federal-aid highway program to redistribute obligation authority, allowing Recovery Act funds redistributed to the states to be available for any qualified project in a state.

The second Recovery Act requirement is to give priority to projects located in economically distressed areas. In July and September 2009, we identified substantial variation in the extent to which states prioritized projects in economically distressed areas and how they identified these areas.[22] For example, we found instances of states developing their own eligibility requirements for economically distressed areas using data or criteria not specified in the Public Works and Economic Development Act (Public Works). State officials told us they did so to respond to rapidly changing economic conditions. In response to our recommendation, FHWA, in consultation with the Department of Commerce, issued guidance to the states in August 2009 on identifying and giving priority to economically distressed areas and criteria to identify "special need" economically distressed areas that do not meet the statutory criteria in the Public Works act.[23] In its guidance, FHWA directed states to maintain information as to how they identified, vetted, examined, and selected projects located in economically distressed areas and to provide FHWA's division offices with documentation that demonstrates satisfaction of the "special need" criteria. FHWA issued additional questions and answers relating to economically distressed areas in November 2009.

Widespread designations of special needs areas gives added preference to highway projects for Recovery Act funding; however, they also make it more difficult to target Recovery Act highway funding to areas that have been the most severely impacted by the economic downturn. Three of the states we reviewed—Arizona, California, and Illinois—had each developed and applied its own criteria for identifying economically distressed areas, and in two of the three states, applying the new criteria increased the number of areas considered distressed. In California, the number of counties considered distressed rose from 49 to all 58 counties, while in Illinois, the number of distressed areas increased from 74 to 92 of the state's 102 counties. All 15 counties in Arizona were considered distressed under the state's original determination and remained so when the state applied the revised criteria. FHWA officials told us they expected the number of "special need" distressed areas to increase when the new guidance was applied. We plan to continue to monitor the states' implementation of DOT's economically distressed area guidance.

[22]For example, Arizona identified these areas based in part on home foreclosure rates—data not specified in the Public Works act.

[23]As we reported, the criteria align closely with "special need" criteria used by the Department of Commerce's Economic Development Administration in its own grant programs, including factors such as actual or threatened business closures (including job loss thresholds), military base closures, and natural disasters or emergencies.

The third Recovery Act requirement is for states to certify that they will maintain the level of state effort for programs covered by the Recovery Act. As we reported in September 2009, most states revised the initial explanatory or conditional certifications they submitted to DOT after DOT's April 22, 2009, guidance required states to recertify without conditions. All states that submitted conditional certifications submitted a second maintenance-of-effort certification to DOT without conditions, and DOT concluded that the form of each state certification was consistent with its April guidance. In June 2009, FHWA began to review each state's maintenance-of-effort calculation to determine whether the method of calculation was consistent with DOT guidance and the amounts reported by the states for planned expenditures for highway investment was reasonable. For example, FHWA division offices evaluated, among other things, whether the amount certified (1) covered the period from February 17, 2009, through September 30, 2010, and (2) included in-kind contributions. FHWA division staff then determined whether the state certification needed (1) no further action, (2) further assessment, or (3) additional information. In addition, according to FHWA officials, their assessments indicated that FHWA needed to clarify the types of projects funded by the appropriations and the types of state expenditures that should be included in the maintenance-of-effort certifications. As a result of these findings, DOT issued guidance in June, July, and September 2009 and plans to issue additional guidance on these issues.

In August 2009, FHWA staff in headquarters reviewed the FHWA division staff findings for each sate and proceeded to work with each FHWA division office to make sure their states submit revised certifications that will include the correct planned expenditures for highway investment—including aid to local agencies. FHWA officials said that of the 16 states and the District that we reviewed for this study, they currently expect to have 12 states submit revised certifications for state highway spending, while an additional 2 states are currently under review and may have to revise their certifications. DOT officials stated they have not determined when they will require the states to submit their revised consolidated certification. According to these officials, they want to ensure that the states have enough guidance to ensure that all programs covered by the Recovery Act maintenance-of-effort provisions have completed their maintenance-of-effort assessments and that the states have enough guidance to ensure that this is the last time that states have to amend their certifications.

Most state officials we spoke with are committed to trying to meet their maintenance-of-effort requirements, but some are concerned about meeting the requirements. As we have previously reported, states face drastic fiscal challenges, and most states are estimating that their fiscal year 2009 and 2010 revenue collections will be well below estimated amounts. Although the state officials we spoke with are committed to trying to meet the maintenance-of-effort requirements, officials from seven state departments of transportation told us the current decline in state revenues creates major challenges in doing so. For example, Iowa, North Carolina, and Pennsylvania transportation officials said it may be more difficult for their departments to maintain their levels of transportation spending if state gas tax and other revenues, which are used to fund state highway and state-funded transportation projects, decline. In addition, Georgia officials also stated that reduced state gas-tax revenues pose a challenge to meeting its certified level of effort. Lastly, Mississippi and Ohio transportation officials stated that if their state legislatures reduce their respective department's budget for fiscal year 2010 or 2011, the department may have difficulty maintaining its certified spending levels.

FTA Reports That the Majority of Transit Funds Have Been Obligated, with Most Funding Being Used for Transit Facilities, Bus Fleets, and Preventive Maintenance

For Recovery Act transit funds, we focused our review on the Transit Capital Assistance Program and the Fixed Guideway Infrastructure Investment program, which received approximately 91 percent of the Recovery Act transit funds, and on six selected states that received funds from these programs. As of November 5, 2009, about $6.7 billion of the Recovery Act's Transit Capital Assistance Program and the Fixed Guideway Infrastructure Investment program funds had been obligated nationwide.[24] Almost 87 percent of Recovery Act Transit Capital Assistance program obligations are being used for upgrading transit facilities, improving bus fleets, and conducting preventive maintenance.

In March 2009, $6.9 billion was apportioned to states and urbanized areas in all 50 states, the District, and five territories for transit projects and eligible transit expenses under the Recovery Act's Transit Capital Assistance Program and $750 million was apportioned to qualifying urbanized areas under the Recovery Act's Fixed Guideway Infrastructure Investment program. As of November 5, 2009, almost $6 billion of the Transit Capital Assistance Program funds had been obligated nationwide

[24]For the Transit Capital Assistance Program and the Fixed Guideway Infrastructure Investment program, the U.S. DOT has interpreted the term obligation of funds to mean the federal government's commitment to pay for the federal share of the project. This commitment occurs at the time the federal government signs a grant agreement.

and $738 million of the Fixed Guideway Infrastructure Investment program funds has been obligated nationwide.

Almost 87 percent of Recovery Act Transit Capital Assistance Program obligations are being used for upgrading transit facilities, improving bus fleets, and conducting preventive maintenance. Figure 4 shows Recovery Act Transit Capital Assistance Program obligations for urbanized and nonurbanized areas, by project type. As we reported in September 2009, many transit agency officials told us they decided to use Recovery Act funding for these types of projects since they are high-priority projects that support their agencies short- and long-term goals, can be started quickly, improve safety, or would otherwise not have been funded. This continues to be the case. Following are some examples:

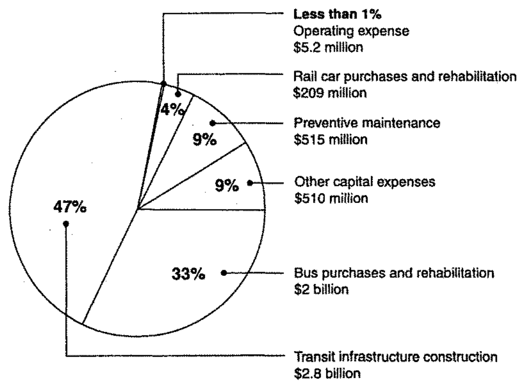
- *Transit infrastructure facilities*: $2.8 billion, or 47 percent, of these funds obligated nationally have been for transit infrastructure construction projects and related activities, which range from large-scale projects, such as upgrading power substations, to a series of smaller projects, such as installing enhanced bus shelters. For example, in Pennsylvania, the Lehigh and Northampton Transportation Authority will implement a new passenger information technology system, install enhanced bus shelters and signage, and fund a new maintenance facility. Elsewhere, in North Carolina, the Charlotte Area Transit System will renovate its operating and maintenance facilities. In addition, in California, the San Diego Association of Governments plans to upgrade stations on a light-rail line and replace a section of a railroad trestle bridge.

- *Bus fleets*: $2 billion, or 33 percent, of Recovery Act funds obligated nationally have been for bus purchases or rehabilitation to replace aging vehicles or expand an agency's fleet. For example, in Pennsylvania, the Lehigh and Northampton Transportation Authority plans to purchase 5 heavy-duty hybrid buses and the Southeastern Pennsylvania Transportation Authority plans to purchase 40 hybrid buses. In Iowa, the state's smaller transit agencies are combining bus orders through the state's department of transportation for 160 replacement buses and 20 buses to expand bus fleets in areas of growth around the state. In Colorado, both the Regional Transportation District in Denver and the Fort Collins-Transfort agency plan to purchase 6 buses each.

- *Preventive maintenance*: Another $515 million, or 9 percent, has been obligated for preventive maintenance. FTA considers preventive maintenance projects eligible capital expenditures under the Transit Capital Assistance Program.

The remaining obligations have been used for rail car purchases and rehabilitation, leases, training, financing costs, and, in some limited cases, operating expenses—all of which are eligible expenditures. In particular, transit agencies reported using $5.2 million, or less than 1 percent, of the Transit Capital Assistance Program funds obligated by FTA for operating expenses. For example, the Des Moines transit agency has proposed to use approximately $788,800 for operating expenses, such as costs associated with personnel, facilities, and fuel.

Figure 4: Nationwide Transit Capital Assistance Program Recovery Act Obligations by Project Type as of November 5, 2009



Source: GAO analysis of Federal Transit Administration data.

Note: Percentages may not add to 100 due to rounding. "Transit Infrastructure Construction" includes engineering and design, acquisition, construction, and rehabilitation and renovation activities. "Other capital expenses" includes items such as leases, training, finance costs, mobility management project administration, and other capital projects.

Funds from the Recovery Act Fixed Guideway Infrastructure Investment program may also be used for transit improvement projects; however this is limited to fixed guideway transit facilities and equipment. Recipients may use the funding on any capital purpose to include purchasing of rolling stock, improvements to rail tracks, signals and communications, and preventive maintenance. For example, in New York, FTA approved a $254.4 million grant from Recovery Act Fixed Guideway Infrastructure

Investment funds for the Metropolitan Transportation Authority for a variety of maintenance and safety improvement projects, including the Jackson Avenue Vent Plant Rehabilitation project in Long Island City. In addition, northeastern Illinois's Regional Transportation Authority is planning on using $95.5 million that was obligated from the Fixed Guideway Infrastructure Investment program to provide capital assistance for the modernization of existing fixed guideway systems. Metra (a regional commuter rail system that is part of the authority) plans to use these funds, in part, to repair tracks and rehabilitate stations.

Some State Transit Officials and Bus Manufacturers Are Using Different Criteria to Measure Job Creation and Retention

As we reported in September, recipients of transit Recovery Act funds, such as state departments of transportation and transit agencies, are subject to multiple reporting requirements. First, under section 1201(c) of the Recovery Act, recipients of transportation funds must submit periodic reports to DOT on the amount of federal funds appropriated, allocated, obligated, and reimbursed; the number of projects put out to bid, awarded, or for which work has begun or been completed; and the number of direct and indirect jobs created or sustained, among other things. DOT is required to collect and compile this information for Congress, and it issued its first report to Congress in May 2009. Second, under section 1512, recipients of Recovery Act funds, including but not limited to transportation funds, are to report quarterly on a number of measures, such as the use of funds and the number of jobs created or retained.

To help recipients meet these reporting requirements, DOT and the Office of Management and Budget (OMB) have provided training and guidance. For example, DOT, through FTA, conducted a training session consisting of six webinars to provide information on the 1201(c) reporting requirements, such as who should submit these reports and what information is required. In addition, FTA issued guidance in September 2009 that provided a variety of information, including definitions of data elements. OMB also issued implementing guidance for section 1512 recipient reporting. For example, on June 22, 2009, OMB issued guidance to dispel some confusion related to reporting on jobs created and retained by providing, among other information, additional detail on how to calculate the relevant numbers. Despite this guidance, we reported in September that transit officials expressed concerns and confusion about the reporting requirement, and therefore we recommended that DOT continue its outreach to transit agencies to identify common problems in accurately fulfilling reporting requirements and provided additional guidance, as appropriate. In responding to our recommendation, DOT said it had conducted outreach, including providing technical assistance training and guidance, to recipients and will continue to assess the need to provide additional information.

Through our ongoing audit work, we continued to find confusion among recipients about how to calculate the numbers of jobs created and saved that is required by DOT and OMB for their reporting requirements. First, a number of transit agencies continue to express confusion about calculating the number of jobs resulting from Recovery Act funding, especially with regard to using Recovery Act funds for purchasing equipment, such as new buses. For the section 1201(c) reporting requirement, transit agencies are not to report any jobs created or sustained from the purchase of buses.[25] However, for the section 1512 recipient reporting requirement, transit agencies were required to report jobs created or retained from bus purchases, as long as these purchases were directly from the bus manufacturers and not from dealer lots. FTA held an outreach session in September 2009 with representatives from bus manufacturers and the American Public Transportation Association in an effort to standardize 1512 reporting methods and clarify recipient responsibilities under the federal recipient reporting requirements. FTA, the represented manufacturers, and American Public Transportation Association discussed a standardized methodology that was established by OMB for calculating the number of jobs created or retained by a bus purchase with Recovery Act funds. Under the agreed-upon methodology, bus manufacturers are to divide their total U.S. employment by their total U.S. production to determine a standard "full-time equivalents" (FTE)-to-production ratio. The bus manufacturers would then multiply that FTE-to-production ratio by a standard full-time schedule in order to provide transit agencies with a standard "direct job hours"-to-production ratio. This ratio is to include hours worked by administrative and support staff, so that the ratio reflects total employment. Bus manufacturers are to

[25]The sections 1201(c) and 1512 reporting requirements differ significantly. Under section 1201(c)(2)(F), FTA is required to collect and compile grantee data, including "the number of direct, on-project jobs created or sustained ..." as well as "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...." As implemented by FTA, FTA's grantees report on direct on-site jobs only; FTA calculates indirect and induced jobs such as manufacturing jobs from the purchase of buses. In contrast, section 1512 places the burden on recipients to report "an estimate of the number of jobs created and the number of jobs retained by the project or activity," language that DOT has interpreted to require reporting of manufacturing jobs when a purchase is sufficient to impact the manufacturer's labor force requirements. Moreover the reporting processes differ under the two provisions. FTA grantees must complete their section 1201 report in TEAM, which is FTA's grant management system.

provide this ratio to the grantees, usually transit agencies, which the grantee then can use to calculate the number of jobs created or retained by a bus purchase. FTA officials told us that the selected group of bus manufacturers and FTA agreed that this methodology—which allows manufacturers to report on all purchases, regardless of size—simplifies the job reporting process. According to guidance, it is the responsibility of the transit agency to contact the manufacturer and ask how many jobs were related to that order. The manufacturers, in turn, are responsible for providing the transit agencies with information on the jobs per bus ratio at the time when buses are delivered. If the manufacturers cannot give the agencies a jobs estimate, the transit agencies must develop their own estimate.

While representatives from three bus manufacturers we interviewed were using the agreed-upon methodology, they highlighted a number of different issues related to job estimates:

- Representatives from two bus manufacturers reported not knowing about the FTA methodology and used their own measures for jobs created or retained. For example, representatives from two manufacturers told us that the labor-hours required to produce a bus formed the basis for their calculation of FTEs and was then pro-rated based upon the amount of production taking place in the United States and the purchase amount funded by Recovery Act dollars.
- One bus manufacturer representative said it was difficult to prorate the jobs calculation by the proportion funded by the Recovery Act, as the agreed-upon methodology requires, since they did not always receive this information from the transit agencies.
- According to FTA officials, the manufacturer is only responsible for reporting the ratio of jobs created or retained per bus produced; the purchasing transit agencies are responsible for the prorating and final calculation of jobs created or retained. However, even bus manufacturers that were otherwise aware of FTA guidance and following FTA's methodology would sometimes calculate the total number of jobs created or retained by a purchase.

The second area of confusion we found involved the methodology recipients were using to calculate full-time equivalents for the recipient reporting requirements. As we reported in our November 2009 report on recipient reporting, the data element on jobs created or retained expressed in FTEs raised questions and concerns for some recipients.[26] In section 5.2 of the June 22 guidance, OMB states that "the estimate of the number of jobs required by the Recovery Act should be expressed as FTE, which is calculated as the total hours worked in jobs retained divided by the number of hours in a full-time schedule, as defined by the recipient." Further, "the FTE estimates must be reported cumulatively each calendar quarter." In addition to issuing guidance, OMB and DOT provided several types of clarifying information to recipients as well as opportunities to interact and ask questions or receive help with the reporting process. However, FTE calculations varied depending on the period of performance the recipient reported on, and we found examples where the issue of a project period of performance created significant variation in the FTE calculation. For example, in Pennsylvania, each of four transit entities we interviewed used a different denominator to calculate the number of full-time equivalent jobs they reported on their recipient reports for the period ending September 30, 2009. Southeastern Pennsylvania Transportation Authority in Philadelphia used 1,040 hours as its denominator since it had projects under way in two previous quarters. Port Authority of Allegheny County prorated the hours based on the contractors' start date, as well as to reflect that hours worked from September were not included due to lag time in invoice processing; Port Authority used 1,127 hours for contractors starting before April, 867 hours for contractors starting in the second quarter, and 347 hours for contractors starting in the third quarter. Lehigh and Northampton Transportation Authority in Allentown used 40 hours in the 1512 report they tried to submit, but, due to some confusion about the need for corrective action, the report was not filed. Finally, the Pennsylvania Department of Transportation reported using 1,248 hours, which was prorated by multiplying 8 hours per workday times the 156 workdays between February 17 and September 30, 2009. In several other of our selected states, this variation across transit programs' period of performance for the FTE calculation also occurred. Our November report provided additional detail and recommendations to address the problems and confusion associated with how FTEs were calculated in the October recipient report.

In summary Mr. Chairman, obligation of Recovery Act funds continues, and states are using these funds for a variety of purposes to address the particular transportation challenges in their states. DOT and the states

[26] GAO, *Recovery Act: Recipient Reported Jobs Data Provide Some Insight into Use of Recovery Act Funding, but Data Quality and Reporting Issues Need Attention,* GAO-10-223 (Washington, D.C.: Nov. 19, 2009).

remain confident that the March 2010 1-year deadline for obligating all highway funds will be met. It seems likely that funds will be available for obligation after the March deadline, although estimating precisely how much is difficult. This is because states continue to realize savings from contracts awarded at less than estimated costs, allowing the savings to be deobligated and obligated to other projects. In the weeks ahead, FHWA and the states have the opportunity to exercise diligence to both promptly seek deobligation of known savings and to identify projects that make sound use of Recovery Act funding. In addition, if any funds are withdrawn, they will be redistributed to states that have had all of their statewide funds obligated by March and will be available for obligation by FHWA. States that do not have all of their suballocated funds obligated by March will not be precluded from receiving redistributed funds. We will continue to monitor states' and localities' use of Recovery Act funds, including the rates of deobligation. In addition, there is a lack of understanding among transit agencies and bus manufacturers regarding the suggested methodology for calculating the number of jobs created or saved through bus purchases and the manufacturer's role in the reporting process. We have previously recommended that OMB work with recipients to enhance understanding of the reporting process and that DOT continue its outreach to state departments of transportation and transit agencies to ensure recipients of Recovery Act funds are adequately fulfilling their reporting requirements. Implementing these recommendations will be key to addressing the lack of understanding we found related to reporting the number of jobs saved or created through bus purchases. We will continue to monitor states' and localities' use of Recovery Act funds in our future reviews.

Mr. Chairman, this concludes my prepared statement. I would be pleased to respond to any questions that you or other Members of the Committee might have.

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New Enterprise Stone & Lime Company

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

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

December 10, 2009

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On behalf of the American Road and Transportation Builders Association

Hearing:
Recovery Act: Progress Report for Transportation Infrastructure Investment

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Chairman Oberstar, Congressman Mica, members of the Committee, the American Road and Transportation Builders Association appreciates the opportunity to provide this update on the American Recovery and Reinvestment Act and its impact on the transportation design and construction industry. My name is James W. Van Buren. I am Vice President for Development and Chief Operating Officer of New Enterprise Stone & Lime Co. Inc. of New Enterprise, Pennsylvania.

New Enterprise was formed in 1924 by J.S. Detwiler and his son, Paul. New Enterprise began as a stone hauling company in New Enterprise/Waterside, Pennsylvania, but soon branched out into construction and material supply as the Company acquired several stone quarries. Over the next ten years, J.S.'s three other sons joined the growing company business. In 1949, J.S. sold his interest in New Enterprise to his four sons, and in 1950, New Enterprise Stone & Lime Co., Inc. was incorporated. New Enterprise is still managed by the Detwiler family and remains a privately held corporation.

This vertically integrated construction materials supplier, highway contractor and traffic safety products and services provider now employs over 3,200 people throughout the United States. The company's core businesses include aggregate production (crushed stone and construction sand & gravel), hot mix asphalt ("HMA") production and laydown, ready mixed concrete production, heavy highway construction, prestress structural concrete components and concrete block manufacturing. Its non-core businesses include port operations, clay fillers, hollow metal door manufacturing, retail construction supply sales, gas and fiber optic line installations and repair, and manufacturing of agricultural lime and industrial pulverized lime products.

New Enterprise is the largest producer of crushed stone and aggregates in Pennsylvania and, according to the 2007 U.S. Geological Survey, New Enterprise (without its subsidiary Eastern Industries, Inc.) is the 16th and Eastern Industries is the 38th largest producer of crushed stone in the United States (the data for the two entities has yet to be integrated). A survey of contractors conducted by *Engineering News Record* in 2006 states that NESL is the 33rd largest transportation contractor in the United States.

New Enterprise's plants (stone, hot mix asphalt, and ready mix) are located throughout Pennsylvania and Western New York, where it employs over 90 percent of its workforce. Its heavy highway construction activities are found throughout Pennsylvania and their traffic safety services division operates in the eastern United States and sells products nationally and internationally.

The economic downturn has had a substantial adverse impact on our company. Our sales have dropped significantly between 2007 and 2008 and without the addition of the infrastructure stimulus dollars to the state DOT's, all of New Enterprise Stone & Lime Co., Inc.'s markets would continue to be in a free fall.

Mr. Chairman, the transportation components of the American Recovery and Reinvestment Act (ARRA) are one of the true success stories of 2009. These provisions sought to sustain and create jobs in transportation construction by providing $48 billion for projects that could be started quickly. This included $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. We now have the data to show that these funds have had a significant impact on transportation construction this year and prevented thousands of layoffs by construction firms and their suppliers, due to the significant decline of other construction markets.

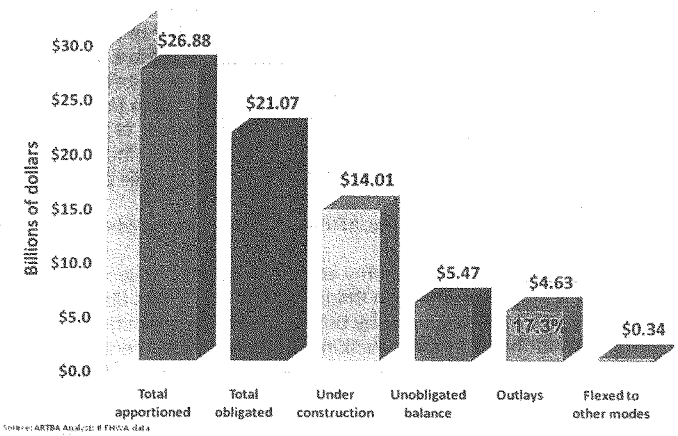
At New Enterprise the market segments most affected by the economic downturn has been the commercial and residential markets. This is evidenced by the drop from 2007 to 2008 and 2008 to 2009 of our stone (down 15 percent & 13 percent), sand (down 20 percent & 17 percent), Hot Mix Asphalt (down 15 percent & flat), ready-mix concrete (down 15 percent & 12 percent), safety products (down 11 percent and flat) and concrete block (down 16 percent & 16 percent). As you can see, the significant drop from 2007 to 2008 continued into 2009 in all of our product lines except Hot Mix Asphalt (blacktop paving) and safety products, both remained level from 2008 to 2009. This is a direct result of the ARRA transportation infrastructure funds.

Highways and bridges

The $27.5 billion for highway improvements was the largest element of the program and has enabled contractors all across America to keep employees on the payroll who would otherwise have been laid off. Most state and local transportation agencies have done an excellent job getting the funds into the construction market. As Figure 1 shows, by the end of November, $21.1 billion had been obligated for highway, bridge and related construction projects, or 78.4 percent of the total apportioned. Almost 5,500 ARRA-financed projects worth more than $14 billion, or two-thirds of the total obligated, are currently under construction.

Most important, more than $4.6 billion (17.3 percent of the total apportioned) has already been paid out to contractors and their suppliers for construction work performed on highways and bridges, and the total is rising at a rate of almost $1 billion per month. We expect about $5.5 billion will have been paid to contractors by the end of 2009.

Figure 1 - ARRA Highway Funding Summary as of November 30, 2009



While the ARRA's impacts are routinely questioned and often underrepresented , all should be aware over $14 billion of the ARRA highway funds committed to date are either currently supporting construction activity or projects have been completed. That means two-thirds of the available recovery funds are generating economic activity and supporting employment. That pace is unprecedented in the context of the traditional federal highway program and a meaningful record of achievement. The act will continue to provide significant benefits as states have obligated an additional $7 billion that is not yet under construction and there is still over $5 billion to be obligated.

In Pennsylvania, PennDOT and local governments have been moving even faster. To date, almost 96 percent of the $1.03 billion of ARRA highway funds apportioned to Pennsylvania have been obligated and almost $200 million, or 19.3 percent, have been paid out to contractors.

Mr. Chairman, Minnesota has also been doing very well in moving ARRA funds, with 86.4 percent of its highway funds obligated by the end of November and 41 percent paid out to contractors, one of the best performances by any state in the nation.

Of the 5 largest recipients, unfortunately only Pennsylvania is above the national average. If projects are not under construction, jobs cannot be supported, and it is time for laggards to step up to the plate.

There are still $5.4 billion of ARRA highway funds to be obligated. The law says that any funds not obligated within one year of apportionment – meaning a deadline of March 2, 2010 – must be returned to FHWA for reapportionment to other states. That means an average of $1.8 billion must be obligated each of the next three months, or about twice the recent rate, to meet this goal. Our concern is that returned funds are available until September 30, 2010, to be obligated, which just delays their ability to support and create jobs. Most states are on track. Wyoming, for example, has already obligated 100 percent of its ARRA funds, the first state in the nation to do so. A number of other states – Illinois, Iowa, Maine, Mississippi, New Hampshire, North Carolina, Pennsylvania, and Utah – are above 90 percent. But a number of other states still have a substantial amount of ARRA funds to obligate, and one state is still below 50 percent.

Nonetheless, 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.

This had an impact at the federal level where, for both FY 2008 and FY 2009, federal highway investment was maintained at or close to the amounts guaranteed in SAFETEA-LU only by emergency injections of additional revenues into the Highway Trust Fund.

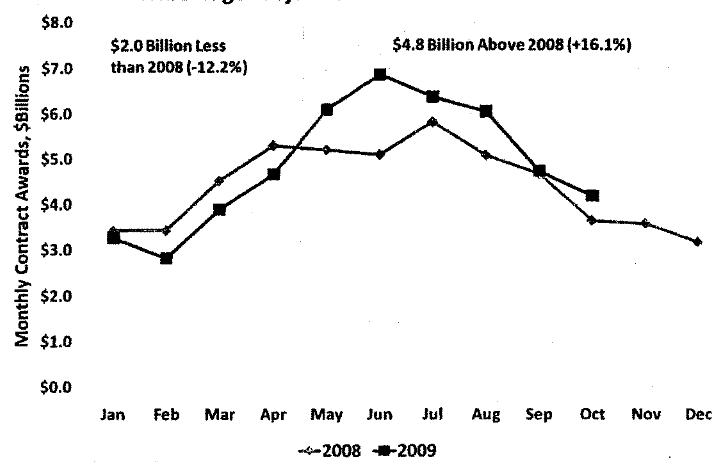
At the state level, many states responded to the reduced revenue situation by cutting back on their use of state funds for highway and transit investments. According to recent surveys conducted by the National Association of State Budget Officers and the National Governors Association, 21 states reduced their state transportation funding during fiscal year 2009, which for most states ran from July 2008 through June 2009. The latest NASBO-NGA survey finds 25 states plan to make similar cutbacks in FY 2010.

The fact is, absent ARRA funding, highway construction in many states would have fallen significantly this year, with a corresponding loss of thousands of well paid American jobs.

We have two charts as part of our testimony that show the dramatic impact of the ARRA on highway construction in 2009.

First, figure 2 shows that the value of new contracts awarded by state and local DOTs for highway and bridge construction projects soared after Congress enacted the ARRA. During the first four months of 2009, state and local DOTs awarded $2.0 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. If this pattern had continued throughout the year, there would have been a 12 percent cut nationwide in the value of new projects getting underway this year. Many contractors, without work, would have had to lay off employees if this had occurred. But the situation turned around after Congress enacted the ARRA. Between May and October, the value of new contracts for highways and bridges has exceeded the same months of 2008 by $4.8 billion, or more than 16 percent, with the ARRA more than offsetting state and local budgetary difficulties.

Figure 2 - Since April, New Contract Awards for Highway and Bridge Projects Have Soared Due to ARRA



In Pennsylvania, PennDOT indicates that the highway letting program this year will total $2.8 billion, a $1 billion increase over 2008 because of the $1.03 billion of ARRA funds apportioned to the state. We are seeing the impact of this in the value of new contract awards for highway and bridge projects, which total $2.8 billion so far this year including turnpike and local projects. This is $400 million more than at this time last year and $1 billion more than in 2007.

Specifically, New Enterprise as the general contractor, has been awarded $50,000,000 of ARRA funded contracts, of which approximately 50 percent of the work was performed in 2009 and the balance will be performed in 2010. New Enterprise Stone & Lime Co., Inc. has also supplied a number of ARRA projects with materials throughout 2009; however, those sales have not been able to reverse the negative sales trends for stone, sand and ready-mix.

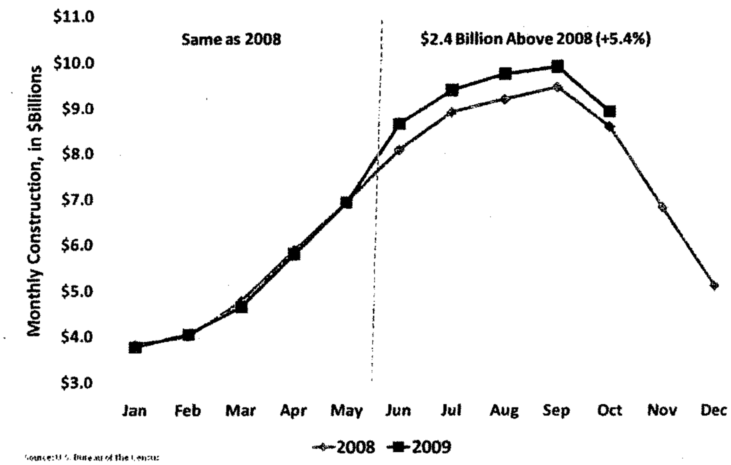
Many of the shovel-ready projects have been blacktop paving projects. Although we are not back to pre-recession levels, ARRA investments prevented further declines unlike our other construction product markets. The safety products segment also stopped its decline from 2008 to 2009 because it relies on a volume of projects let and since most projects, regardless of the type of project, require some traffic safety controls system, this division was able to maintain it sales year over year.

Employment at New Enterprise has seen a very similar pattern as the sales. Between 2007 and 2008, total corporate payroll dropped from $7.2 million or 5.1percent. From 2008 to 2009, year over year through November total payroll dropped 1percent. During the same period, the New Enterprise employee count has experienced a similar trend, dropping in 2008 to 3,292 employees, a 4.0 percent decline and dropping 1percent during 2009. In our assessment, without the ARRA-funded work, this situation could have been much worse.

Second, Figure 3 shows that value of construction work put in place on highway, bridge and related construction projects has also been positively impacted by the ARRA. Because highway construction occurs out of doors, 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 beginning in June, as construction work began on a number of ARRA-financed projects. Between June and October, $2.4 billion more construction work was performed on highway and bridge projects than during the same months of 2008. In fact, September was just shy of being the first-ever $10 billion month for highway construction and did set the record for highway construction for any month in history. Given that there was no increase in funding for the regular federal highway program in FY 2009, there is no question that the increase in highway construction spending since May was largely influenced by the ARRA.

Figure 3 - After a Weak Start in 2009, ARRA Boosted the Value of Construction Work on Highways and Bridges



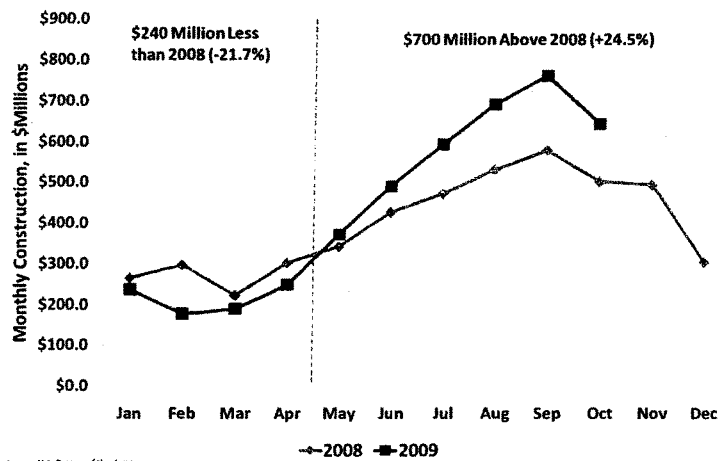
The boost to highway construction from the ARRA may be even more powerful than these charts indicate because highway construction costs are lower this year than last year. Based on what we are seeing so far in the inflation data, the cost of building a highway or bridge this year will be about 5 to 6 percent less than last year, driven by an 8 to 9 percent reduction in the cost of highway construction materials like asphalt, cement, crushed stone and diesel fuel. Lower costs mean federal, state and local highway dollars buy more construction work. 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, probably around 10 percent.

Looking to the future, the success of the ARRA in preserving construction jobs has generated proposals for a second effort designed to create new jobs, either as an addition to core funding in the next surface transportation authorization act or as part of another stimulus bill. To maximize the job-creation potential of such funding, Congress should assure the funds are additive, and not a substitution for state highway investment, by including an effective maintenance of effort provision. Fortunately, an excellent model exists in the maintenance of effort formula applied to state use of toll credits to satisfy the 20 percent matching requirement for federal highway funds. The requirement is effective while still giving states equitable implementation options and could easily be adapted to any additional stimulus funding.

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 for highways, it is having an equally significant impact on airport construction activity.

Figure 4 - Value of Construction Work on Airports Has Soared Due to ARRA



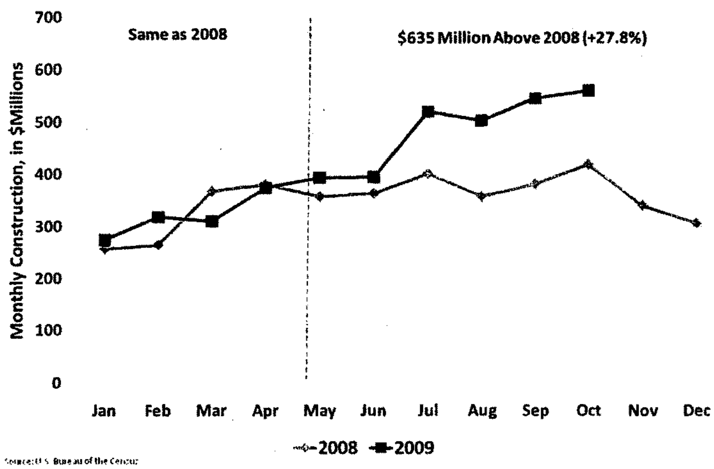
As Figure 4 shows, the value of construction work being performed on airport runways and related projects was down more than 20 percent during the first four months of this year when compared to the same months of 2008. As with highways, the year would probably have been very disappointing if Congress had not enacted the ARRA. But, as the chart shows, construction work on airport projects took off in May. Since then, construction work on airport runways has been up almost 25 percent 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 also provided $8.4 billion for transit and $8 billion for high speed rail. Only a fraction of the transit funds, the $750 million for the transit new starts program, would impact construction activities. Priority was given to projects already under construction so we should not see any impact on new contract awards. But as Figure 5 shows, there has been a significant impact on the value of construction work performed on subway and light rail projects. During the first four months of 2009, transit construction was running just even with the same months of 2008. Since then, it has been running almost 28 percent ahead of the same months of 2008 and is on track for a record year.

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.

Figure 5 - Value of Construction Work on Subway and Light Rail Projects is Also Up Significantly since ARRA



Conclusion

Mr. Chairman, the evidence is clear—the ARRA's transportation investments are providing a much-needed boost to the U.S. transportation construction industry. Our industry has been suffering disproportionately during this economic downtum with areas of the country experiencing unemployment over 20 percent. Without the recovery act funds, this situation would have been devastating.

This year, the value of construction work performed on transportation projects will be above that in 2008 largely because of the ARRA. Contrary to the perception of many, ARRA has not "supercharged" the transportation construction market, but in many areas it has kept us afloat

Because of the spending mechanisms in place through the federal aid highway program, ARRA funding for highways and bridges is being utilized quickly and we can track its progress at the state level. We also know that this money is helping to support and create jobs, as well as provide critical infrastructure investment that will help our economy in the long run. In turn, our workers are spending this money in our towns and communities, helping other businesses that have been hurt in this recession.

The success of the recovery act transportation funds notwithstanding, we must remember this legislation was never intended to be a long-term solution.

New Enterprise's 2010 projects show us down from 2009. There are currently no indications that the commercial and residential spending will improve and some indicate that it could fall even more. Additionally, even though most states still have some ARRA monies to spend, we are finding most DOTs base funding programs are projected to be down in 2010, so our belief is that with the wind down of ARRA funds, the state spending may drop significantly. Pennsylvania, our core market, is projected to be down upwards of 50 percent without additional federal money.

At New Enterprise, without any federal program expansion, we will plan for early plant shut downs and construction layoffs, similar to 2008. In 2008 our season layoff, typically Thanksgiving, began the first week of October. Our employment outlook will be level for 2010, but we anticipate 15 percent less work hours and 20 percent decrease in hourly wages due to the early season layoffs. Additionally, our capital spending program will remain at the same 2008 and 2009 levels of $20 million with no new purchases of rolling equipment (on and off highway truck, concrete mixers, bull dozers, excavators, payloaders, etc.) or plant additions or expansions. Our 2007 spending was over $45 million which is typical more typical of a company of our size. Our business is extremely capital intensive. The $20 million level is purely from capital repairs for our fleet and plants.

We will also continue to curtail our college hiring program, where we hire four to six college graduates and place them into our Project Management training program. It becomes increasingly difficult to hire and develop employees when we are not certain of our long-term prospects.

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 multi-year surface transportation authorization bill at the $500 billion funding level proposed by you and your Committee as soon as possible. With the passage of such a robust bill New Enterprise would renew our long term planning model for consideration of new employees with the anticipated growth of our operations, renew our training programs used for management development of our operations supervisors and foremen, progress with our plans to train our hourly workforce on skills development, continue to expand our use of technology for both operations (GPS and lasers) and administration (laptops and portable handhelds devices) and expand the existing support systems (IT, HR, equipment) to address the growth and return to our capital spending program that will enable other companies that depend on our industry to begin recovery as well.

Thank you for the opportunity to testify, and I will be happy to answer any questions.