

Jim Kolb Talking Points
Floridians for Better Transportation
Leadership Retreat

Thanks for opportunity to address a group of transportation advocates.

Today is a big day in Washington – House Treasury-Transportation Appropriations Subcommittee meeting, and House and Senator conferees expected to meet on highway and transit bill.

Background

Congress working on a highway and transit bill—required to spend federal funds. TEA-21 expired Sept. 30, 2003. Program has been operating under a series of short-term extensions since then. Current extension expires July 30th.

It's no secret where reauthorization stands right now:

- Bush Administration \$256 billion or veto. Flat funding – no growth.
- Senate \$318 billion in authorizations, \$301 billion in guaranteed funding.
- House \$284 billion in authorizations, \$279.4 billion guaranteed funding.
- Both House and Senate Bill subject to veto threat.

Important to understand these numbers and what they really mean (handout). Central issue in debate.

Numbers sound big, but look at the purchasing power chart. These are capital programs where materials have to be purchased. Under Admin, going backward, under House, barely treading water. Senate— only proposal will real growth.

Not just an academic discussion. Short-changing federal highway and transit investment imposes costs on all Americans:

- 43,220 highway fatalities and almost 6.4 million motor vehicle crashes in 2003 cost the American economy \$230 billion. Roadway conditions and alignments are a factor in an estimated one-third of these crashes.
- \$70 billion in annual traffic congestion costs to the economy.
- \$400 annually in automobile repairs per vehicle because of poor road conditions.

Reauthorization Status

GOP congressional leaders and transportation committees met in late April with top White House officials. Latest we have heard is that the Admin. may be willing to come up, but they still won't go above the House investment levels.

Transportation community—from our industry to state DOTs to U.S. Chamber—is unified in position that the Senate bill contains the minimum acceptable level of investment for a six-year reauthorization bill.

We understand the process. There will be compromise – but we believe it is critical to get it done right.

23 Senate Republicans on record and 48 Democrats still supporting \$318, puts us over 70 in the Senate.

Huge conference – 73 members. Graham and Mica key Florida conferees.

As expected, conference has been a major challenge. The first major hurdle has been over the appropriate investment level. Senate has made formal offer to the House of \$318 billion in authorizations, \$301 billion in guaranteed funding. House has yet to respond.

Beyond challenges regarding investment levels, the House and Senate proposals have dramatically different structures.

- House bill creates new programs, Senate bill does not. Interesting observation about the House new programs, most are directed at expanding system capacity and would lead to new construction—such as dedicated truck lane program (\$901 million).

Federal program over the last decade has largely been a maintenance program with only about 17 percent of federal funds going to capacity expansion.

- Both have streamlining provisions, but different ways of achieving objective.

- Equity approach also different— Senate 95 percent by 2009, House no formula change, but re-opener linked to 95 percent.
- House bill has projects, Senate has projects too—just aren't in the bill, yet.

So resolving the money problem is just the tip of the iceberg.

As such, there is a long way to go in this process.

Equity Issue

We are well aware of sensitivity among states about the issue of the rate of return on contributions to the Highway Trust Fund.

The fact of the matter is that without adequate investment levels, it will be very difficult for Congress to secure any improvement in state's rate of return.

Dissatisfaction with the either bill over their rates of return provisions, or other funding issues are not the fault of the authorizing committees or various members of the transportation community in Washington, D.C.

The insistence of the Bush Administration and GOP leaders to scale back the Senate bill's investment levels is creating a situation where there will be winners and losers. This will make it difficult to get 60-votes in the senate.

Wrap-up

Again, thank you for the opportunity to address your organization. It is always good to be with transportation advocates.

There has been recent movement on reauthorization, but there is a long way to go. The Administration's objects to real growth in the investment level remains a major obstacle, and the outcome remains unclear.

ARTBA continues to believe it is better to get it done right, rather than to just get it done. Therefore, we urge you to continue to urge your members of congress to stay strong on increased investment levels and to tell their leadership the final bill should be as close as possible to the Senate funding levels.

I would be happy to take your questions.