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Mr. Mendez.

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MR. MENDEZ: Thank you. And good morning,

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Mr. Vice Chairman and Members of the Commission.

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For the record, my name is Victor Mendez. I

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am the director at the Arizona Department of

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Transportation. And I am also here representing the

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American Association of State Highway and

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Transportation Officials as the president of that

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organization. So I would ask an indulgence, a couple

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of extra minutes so I can give you both a state

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perspective and a national perspective.

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I do want to begin by thanking all of you as

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a commission for taking the time. What we are doing

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here is important for us as a nation as we move

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toward the future in transportation. And whatever

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results you do come up with in the end, that

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certainly will impact all of our lives for many years

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to come. So thank you again for taking the time.

1 It's a lot of hard work and a lot of travel, but it's  
2 very important for all of us.

3 Now, Susan has done a really great job  
4 outlining some of the issues related to this project  
5 delivery. And as you might guess, Nevada being a  
6 border state to Arizona, we have very similar issues.

7 Let me begin with the Arizona perspective  
8 first. Obviously, we're now the fastest growing  
9 state in the nation. And so if she is growing by 600  
10 people per day, we must be growing by 601, or  
11 something like that.

12 But to be serious, the issues that we're  
13 facing is that in Arizona, the kind of hyper growth  
14 that we have experienced throughout the entire state,  
15 it's not just the urban areas. Most people think  
16 about only Phoenix and Tucson as being the big urban  
17 areas. But we are challenged in the urban areas --  
18 or the rural areas also.

19 When we travel around the state on a monthly  
20 basis with our transportation board, we hear from all  
21 the rural areas and the impact the growth in those  
22 areas that's happened upon their communities.

23 We estimate that our state population may  
24 double in the next 20 years. So you can see that's  
25 going to be a bigger issue for us, and it is already.

1 Over the next 50 years, we estimate that for roads,  
2 that all of the -- that's roads only, we will need  
3 about \$50 billion. And obviously, that will be a  
4 challenge at the state level.

5           The southwest actually, as a whole, is  
6 experiencing new growth and significantly for a new  
7 capacity. So as Susan mentioned, trying to handle  
8 that capacity, we face many challenges. Not only in  
9 terms of process and project delivery, but also the  
10 coordination efforts that are necessary in all the  
11 forms of government. But I think that's important to  
12 keep in mind.

13           Later in your agenda, we do have Eric  
14 Anderson, who is the transportation director for the  
15 Maricopa Association of Governments, which is the  
16 Phoenix area. He will be talking about the urban  
17 issues that we're facing in Arizona. So my comments  
18 today are here somewhat toward rural, although as a  
19 state agency, certainly we are concerned about  
20 everything.

21           In Arizona, we are in fact working on a  
22 state-wide plan for public transit, which would  
23 include additional bus transit. To help us add more  
24 capacity to our existing transportation system, we  
25 need to find better ways to connect states, you know,

1 in that region within the state. And then as we move  
2 towards the future, it's very important for us to  
3 again emphasize the need to better coordinate with  
4 all levels of government, including the federal  
5 government.

6 For Arizona, really one of the big issues  
7 that we're facing, and I think Susan described this  
8 actually also in her remarks, is that there's a big  
9 disconnect between land use and development decisions  
10 that are made at the local level and some of the  
11 transportation planning decisions that are made at  
12 the state level in concert with some of those same  
13 local entities. So again, one of the big issues for  
14 us is that better coordination that needs to occur.

15 Now, in Arizona, we simple -- our governor,  
16 Governor Napolitano, actually about 18 months ago,  
17 initiated a growth and infrastructure initiative.  
18 And the goal with that initiative is to really -- I  
19 don't know what's the word, force would be a proper  
20 word. But she needs to encourage all of the  
21 governments to better coordinate, and she's beginning  
22 with state government, all of the state agencies,  
23 state planning department, for example, or water  
24 department, transportation. We need to better  
25 coordinate, begin that at the state level, and then

1 flush it out then to the other levels of government.

2           Now, more recently, the governor did  
3 formalize a growth cabinet. And she's directing that  
4 growth cabinet towards the state and the private  
5 communities to develop an implementation plan within  
6 the next 120 days to outlying strategies for growing  
7 development.

8           Part of her solution -- and we're developing  
9 this strategy. We don't have it yet completed. But  
10 as an example, a potential solution, she has directed  
11 and seeks to award future discretionary funds to  
12 communities that have agreed to participate in  
13 accordance with some of these strategies that we are  
14 outlining with the growth cabinets.

15           Again, it's one of those issues that we're  
16 very sensitive with regard to local control, but also  
17 at the state level, we can't always be the ones to  
18 come in and take -- bear the brunt of some of the  
19 local decisions. So there is a fine balance here  
20 that we're trying to play here.

21           Last year, our governor and the state  
22 legislature did in fact infuse \$307 million into  
23 transportation from the general fund. There were  
24 surpluses and we were very happy about that. And  
25 this year there are other proposals out there to

1 actually infuse additional funding from the state  
2 general fund or possibly by expanding some of our  
3 bonds for an additional ten years to again infuse  
4 additional funding.

5           Now, we welcome all kinds of funding in the  
6 future. The issue here though is that these are  
7 one-time fixes. And so my message to everybody out  
8 there is that we really need a structural long-term  
9 solution for our issues, so we are continuing to look  
10 at that.

11           So I guess in wrapping up my comments about  
12 the state, I would suggest that maybe you may want to  
13 consider something, like what we're doing with our  
14 governor in terms of a broken infrastructure to help  
15 us better coordinate and, you know, to try and find  
16 better ways to really develop our transportation  
17 system in concert with land use development  
18 decisions.

19           Now, if you would bear with me just a few  
20 more minutes, let me just very briefly give you an  
21 overview of some of the national issues from a  
22 national perspective. I think the three main points  
23 that I would like to make today is: First, that the  
24 challenges that are faced by the surface  
25 transportation system are great because of growth and

1 the imperative to preserve the system, the impacts  
2 from the global economy and our growing construction  
3 costs that Susan mentioned here a few minutes ago.

4           Secondly, to meet the challenges, all levels  
5 of government are going to have to continue to  
6 participate from a funding perspective.

7           And thirdly, the solution will in fact  
8 require a major commitment of funding and really a  
9 multi-level approach. I know that there has been a  
10 lot of discussion here toward highways, roads,  
11 streets, and freeways. But if you look at some of  
12 the multi-mobile aspects if the -- of a  
13 transportation system, it's going to be very  
14 important for us to look at that into the future.

15           Now very quickly, we'll kind of highlight  
16 some of the points that you have in front of you.  
17 The growth, I think we've talked about that and the  
18 issues are staggering when you look at it, whether  
19 region by region, state by state. I think we  
20 understand that is, in fact, an issue.

21           As I mentioned earlier, not only in Arizona,  
22 but on a national basis, those states that tend to be  
23 rural in nature, in fact, are facing very similar  
24 challenges. You have to have connectivity between  
25 nature population centers. And so, you know, we face

1 very similar challenges in the rural arena.

2           A very interesting point here, we happen to  
3 be here in Las Vegas, tourism, recreation, a big  
4 portion of what occurs here specific to Las Vegas.

5 And we would say that travel, tourism and recreation  
6 in many states is in fact a major economic issue for  
7 all of us.

8           And I can tell you in Arizona, the direct  
9 impact from tourism alone is about a \$15-billion  
10 industry. When you throw in the indirect impact, I  
11 think we double that to close to 29 billion per year.  
12 So pretty significant for Arizona and the rest of the  
13 nation.

14           With respect to preservation, I think all of  
15 you are aware, for example, our interstate system  
16 started 50 years ago. It's now old. And at that  
17 point it was intended to serve a certain volume of  
18 traffic. I suspect the people who were developing  
19 and planning at that point in time had a different  
20 perspective. And quite frankly, yeah, we've  
21 overwhelmed the system 50 years later. And so  
22 preservation is very important from that perspective.

23           The issue of the global economy and how it  
24 impacts our competitiveness as a nation, if you look  
25 at what's happening in China, Europe, and many other



1 countries and regions of the world, many of them are  
2 in fact really investing big money into their  
3 transportation system.

4           And so the question here, from a United  
5 States standpoint, is should we be doing the same?  
6 We need to remain competitive. And certainly  
7 transportation, from an economic standpoint, is a  
8 major factor in that.

9           Susan mentioned the sky rocketing  
10 construction costs, so I'll skip that point. And so  
11 let me move on to my second major point, the issue  
12 that all levels of government must share -- must fund  
13 their share of transportation investments. I can  
14 tell you, in Arizona, and I am sure Eric Anderson  
15 will mention this, we have initiated various funding  
16 initiatives at various local levels, very helpful,  
17 and yet it's not enough.

18           Certainly, if you look at the federal  
19 government, we've got about 45 percent of our needs  
20 into the future now and into the future. And so we  
21 have some challenges --

22           MR. SCHENENDORF: We have had this testimony  
23 and we've had a chance to read it. So if you just  
24 could wrap it up, we really want to have dialogue.

25           MR. MENDEZ: Okay. Let me just jump to one

1 important point, if you would bear with me, Mr. Vice  
2 Chair, one of the issues that I think is important,  
3 just for me, and then I'll wrap up.

4           On a national basis, the issue of delivering  
5 on a multi-level approach, you know, we've had a lot  
6 of focus on highways and freeways. I think it's  
7 really important for us to begin looking, and we have  
8 other modes of transportation, the independent  
9 activity with aviation. I know Commissioner Skancke  
10 and I talked about this sometime back, you know, the  
11 connection with aviation. For example, Fed Ex has to  
12 deliver. They fly it in somehow and it has to then  
13 be distributed through our system. So I think it's  
14 important for us to keep that in mind.

15           So with that, I guess I will conclude my  
16 remarks by letting you know that later this spring,  
17 AASHTO will be submitting to you a report that  
18 contains a revenue recommendation so we can start, at  
19 least for the record, just putting some issues on the  
20 table for that -- for the issue of funding.

21           And so with that, I guess I'll conclude my  
22 remarks. And thank you very much for the  
23 opportunity.

24           MR. SCHENENDORF: And thank you both very  
25 much. And I'd like to start the questioning with the

1 Deputy Secretary of Transportation.

2 MS. CINO: Thank you, Jack, very much. I  
3 appreciate it. I appreciate both of your  
4 testimonies. I'll make -- I'll ask one question and  
5 then move on to give everyone a chance.

6 You know, I read all of your material and I  
7 found it very, very interesting. I think probably  
8 some of it hit home that I kind of knew but didn't --  
9 had not seen it in such a contrast. Eighty-eight  
10 percent of the growth that's going to be taking place  
11 in the next 20 to 50 years will be in the south and  
12 the west.

13 Being a property owner right here in  
14 Henderson, I've experienced the moving mountain  
15 phenomenon, as I call it. In 1997 I bought my folks  
16 a small house in Green Valley, and we'd look out the  
17 backyard. You'd see the mountains so, so far away  
18 with nothing between us and the mountain.

19 As I go home now three or four times a year  
20 to go see my mom, what I see now is the mountain  
21 isn't so far away with the development that's going  
22 on.

23 Commissioner Schenendorf and I were in  
24 Atlanta yesterday. I guess the concern I have for  
25 areas such as the south or the west that is growing

1 so rapidly, there has to be very, very coordinated  
2 but very, very specific planning. I've seen the  
3 I-15. I've been on the I-15. I was there when it  
4 broke ground, and I use it when I come home to visit  
5 my mom in Las Vegas.

6 But even now -- at the time I thought it was  
7 so -- the capacity was going to be so great. But  
8 even now at rush hour, it's full. There's only so  
9 much you can build. So my question really, to kind  
10 of cut to the chase, is what -- if you could spend a  
11 couple minutes, each of you -- what are you doing  
12 with regards to the plan? Because it seems to me  
13 that we can throw all this money at roads, and even  
14 intermodal, but if we are not doing planning for the  
15 growth that is going to happen, 88 percent in the  
16 south and the west, and looking at residential,  
17 commercial, putting employers where people live, and  
18 as I said, the intermodal ways and things like,  
19 parking, become issues.

20 What is it that you are specifically doing  
21 in your state's region with regard to the planning to  
22 prevent the problems that we have right now?

23 MS. MARTINOVICH: Thank you, Commissioner.  
24 I'd just like to mention that first, in Las Vegas and  
25 the Las Vegas valley, you're right. It's a huge

1 issue. And the department has been working closely  
2 with the local entities that they all work, and  
3 there's many in this valley. You know, there's City  
4 of Henderson, City of Las Vegas, City of North Las  
5 Vegas, Mesquite, Boulder City, and they all --

6 MS. CINO: Green Valley Ranch.

7 MS. MARTINOVICH: -- exactly. And they all  
8 work under Clark County. And so our efforts have  
9 been that we've been having a person, you know, sit  
10 with them. We've got a planning development agency  
11 that coordinates and works with them in the planning.

12 The trouble is is sometimes, like we said,  
13 the zoning will change. And, you know, so we're able  
14 to provide comments. And so that's today. That's  
15 what's happening today. But we recognize that, and  
16 so what we're going to try to address in the future  
17 is that we're actually taking regions and areas and  
18 looking out at the 50-year and trying to do some  
19 analysis -- analyses [sic] and studies of where  
20 will the -- where does there need to be the large  
21 infrastructure? Where does the beltway need to  
22 connect? Where do we need to have alternate routes?

23 The challenge is, is once you start laying  
24 that out there, then people get a little dicey and  
25 then they start building in those areas. And we're

1 not in a position to do any advanced acquisition of  
2 the right-of-way in the area. So we're looking --  
3 we're planning, laying it out, but it -- we haven't  
4 figured out a way to take care of the last minute  
5 changes that seem to occur when a development comes  
6 in until that -- it's a matter of keeping the lines  
7 of communication open and talking, but we are still  
8 figuring out the best way to move forward.

9 MS. CINO: But the risk of -- not putting  
10 words in your mouth -- it seems that, and again, I  
11 probably have a little bit more of a personal  
12 experience here in the Las Vegas area and Clark  
13 County, and Henderson, Green Valley Ranch area, that  
14 we -- we have good intentions, but by the time we  
15 actually start, we're already behind.

16 MS. MARTINOVICH: That's it exactly.

17 MS. CINO: And I guess I am just looking  
18 for, as we saw, I think some good examples in  
19 Atlanta, in, you know, looking towards the future.  
20 How do we keep up with it?

21 MS. MARTINOVICH: Well, as an example,  
22 there's a proposed development about a hundred miles  
23 north of Las Vegas. It's proposed 150 community --  
24 it will be a new city and -- with the idea that it  
25 will be a bedroom community for people coming into

1 Las Vegas. We know it's coming. We're trying to  
2 address the growth of the area and to plan ahead, but  
3 we don't have the funding. We don't have enough of  
4 the information. We are trying to stay up ahead, but  
5 then intermediate things come that we aren't aware  
6 of.

7           You're right. We're looking at it, but  
8 we're not good at staying on top of it yet.

9           MR. MENDEZ: If I might maybe add a little  
10 bit to that from the Arizona perspective. As I  
11 mentioned, our governor has actually started this  
12 growth and infrastructure --

13           MS. CINO: Yeah, I was very interested to  
14 read about that.

15           MR. MENDEZ: Yeah. And when you think about  
16 that, she's not really focussing on transportation.  
17 She's looking at the overall issues: The energy,  
18 water, schools, transportation, support, hospitals,  
19 facing all that in looking at affordable housing, for  
20 example.

21           If you look at -- under that initiative,  
22 what we're also attempting to do, we brought a lot of  
23 the major developers to the table. And I have to be  
24 honest with you, I really sense a change in their  
25 attitude. I think they are beginning to understand

1 and are willing to be at the table.

2           The problem that I think we're facing is  
3 similar to what Susan described. And we try and  
4 identify the corridor. They are willing to work with  
5 us on, you know, identifying a corridor within their  
6 future development. But with -- when you only have a  
7 plan and no money to really deal with the issue, you  
8 fall behind very quickly. Because they move quickly,  
9 as you experienced.

10           You can see the mountain ten years ago and  
11 now you can't. So with that issue, you know, you  
12 have the best planning in the world, but if you don't  
13 have the resources to actually implement the plan, it  
14 puts you behind the eight ball pretty quickly.

15           MS. CINO: Thank you very much.

16           Jack, I will reserve the rest of my  
17 questions to give my fellow commissioners an  
18 opportunity.

19           MR. SCHENENDORF: Okay. I'd next like to  
20 turn to one of your fellow DOT commissioners.

21           Commissioner Busalacchi.

22           MR. BUSALACCHI: Thanks, Jim.

23           I guess I just want to go in a little  
24 different direction from roads here and talk a little  
25 bit about passenger rail and the mobile approach that



1 you had talked about -- both of you had talked about.

2           The mayor was here earlier and he talked  
3 about -- or he mentioned a possible train from  
4 California to Nevada.

5           Susan, maybe you can tell me where that's  
6 at. But I'd like to know what your views are on this  
7 passenger rail. Do you think that it will alleviate  
8 some of the pressure?

9           And in addition to that, if you are thinking  
10 about going in that route as part of your planning,  
11 what do you think the federal role needs to be?  
12 Because as we all know, to put these types of systems  
13 down, they cost a lot of money. And, of course, you  
14 run into a lot of different environmental  
15 restrictions and the like.

16           So I'd also like to hear what your opinions  
17 are on what that federal role should be. Should it  
18 be similar to what is going on with highways? Less?  
19 You know, so -- I guess I asked a number of  
20 questions. If you could just maybe quickly give us  
21 your opinion on those.

22           MR. MENDEZ: Let me take a crack at that  
23 first. I think the first question was: Do you  
24 really think that this will be an effective solution.  
25 I believe it is. You know, whatever we can do to

1 actually get the people to utilize all other sorts of  
2 modal -- transportation modes, I think we ought to be  
3 looking at that.

4           In the Phoenix area, for example, we are  
5 deploying, at the local level, a light rail system,  
6 and it probably will be expanded. We're continuing  
7 to look at commuter rail issues. We're going to be  
8 looking again at the commuter rail between Phoenix  
9 and Tucson.

10           Anything that can help alleviate some of the  
11 congestion on the system, the transportation system,  
12 I think we ought to be looking at. Will everything  
13 be deployed? I don't know. Maybe 50 years from now  
14 we will deploy most of that. But again, it does come  
15 down to a funding issue.

16           With respect to the federal role, in  
17 Arizona, we really do have a very good  
18 relationship -- partnership, I should call it -- with  
19 federal administration and some of the other federal  
20 agencies like BLM, BIA, et cetera. I think what I  
21 would say to the issue of the role, you know, what  
22 role should the other agencies play? I believe you  
23 can actually develop good partnerships.

24           But our focus overall ought to be to find a  
25 way to shorten that bar chart. You know, does it

1 really need to take ten years to deliver a system?  
2 It's very difficult to explain that in practical  
3 terms to the citizens. I have a very hard time  
4 telling them, Hey, we're going through the EIS  
5 process and here are the rules.

6 I am not suggesting that we have to  
7 undermine the environmental process. I am saying we  
8 need to really, in earnest, look at streamlining the  
9 environmental process in helping us make quicker  
10 decisions, more practical decisions, so we can  
11 communicate with the citizens. Because if you are on  
12 the outside, and you are a director or a secretary,  
13 if you are on the outside looking in, some of these  
14 issues are very difficult to explain to our customer.  
15 And, you know, it's really looked upon as  
16 bureaucratic.

17 But I think, you know, to answer your  
18 question on the role, collectively, we should be able  
19 to find a way to streamline that process.

20 MS. MARTINOVICH: Thank you. And I'll,  
21 without repeating Victor, just bring up a couple of  
22 other points is that the -- where that project is  
23 that you mentioned, the high speed between Ontario  
24 and Las Vegas, it's going through the NEPA process.  
25 But it's not the NEPA process with federal highways,

1 it's through the FTA. And so that was where I would  
2 make some recommendation of the federal role is that  
3 you've got two different agencies all working  
4 together in the same corridor.

5           And so maybe there's opportunity for the  
6 coordination where the state or the proponent doesn't  
7 have to be caught in the middle of coordinating  
8 between the different agencies is that there is some  
9 overlap there.

10           And the other issue is I think it is very  
11 positive. I think people will use that, but it's got  
12 to be easy for them. They've got to be able to --  
13 most of them in that corridor might have luggage or  
14 have something. It's got to be seamless where you  
15 can park someplace, get to someplace, get to your  
16 destination, and then not be panicky of: How am I  
17 going to get from where I am landing to my hotel?

18           I like the metro in Washington because I can  
19 go from the airport. I can go to a place with  
20 luggage. I can walk then to another place. And so  
21 it's got to be easy for people to use and they have  
22 to be comfortable with it. And that's where I think  
23 that you'll have some success, and then you can get  
24 people using it off the roads and to allow the -- to  
25 ease up some congestion so they can work together.

1 MR. BUSALACCHI: It's good. Thanks.

2 MR. SCHENENDORF: Commissioner Heminger.

3 MR. HEMINGER: Thank you, Mr. Chairman.

4 You know, I would like to ask you two  
5 questions, specific questions, about saving time on  
6 that chart. Obviously, the biggest bar is the green  
7 one, the environmental studies. It's about five  
8 years.

9 What specific steps, without sacrificing  
10 environmental protection, could be taken to shorten  
11 the green line? That's question one.

12 Question two: In my state of California,  
13 Caltrans has, in certain cases, undertaken what they  
14 call risk design. And what that means is you move  
15 the red bar into the environmental process, which is  
16 the risk. But by doing so, if you move it far enough  
17 in, you can, once you have a record of the city and  
18 you exit the environmental process, you can  
19 immediately undertake right-of-way acquisition, which  
20 means, as you can see there, you can save about a  
21 year's time.

22 Now, the risk is that something in the  
23 environmental process comes along to screw up your  
24 design and you've got to go back and do something  
25 over. We've been batting a pretty good average so

1 far in taking that risk. And I think to be fair, if  
2 you really want to cut down time, you are probably  
3 going to have to take some risks instead of doing  
4 everything in sequence.

5 So on those specific two ideas, I would  
6 appreciate your reaction.

7 MS. MARTINOVICH: I'd like to go first on  
8 that, Commissioner Heminger, is that Nevada has done  
9 that. We had a project where we went in the final  
10 design. When we got the EA, we advertised it for  
11 construction the next day, so we just couldn't wait.  
12 It was of critical nature because we're  
13 waiting for -- we had flood issues and we had to get  
14 that project. So we do take that risk.

15 And that's part of the specific suggestion  
16 that we'd like to offer is that there needs to be a  
17 risk analysis checklist on a project, such as, you  
18 know, on the I-15 corridor where there is plenty of  
19 right-of-way. It's been that way forever. If we  
20 want to add a lane on the side of it, very few social  
21 impacts, very few environmental impacts, there's not  
22 a whole lot of risk in there. So maybe there could  
23 be a checklist to determine, do we need to -- is this  
24 one going to undergo some lawsuit or not, and various  
25 types of NEPA process in there.

1           The other thing we could look at is having  
2 specific times of when a document is submitted. And  
3 we have a very good relationship with our division  
4 office and coordinate, but sometimes they get busy,  
5 we get busy, priorities change and this and that.

6           But if there is a time when a document is  
7 submitted, we should get a response in X number of  
8 days, period. It shouldn't be, Well, we haven't had  
9 a chance to look at it or we're waiting for  
10 information from another agency or -- there ought to  
11 be specific timelines set up. And then if those  
12 timelines are past, then we get to go with the next  
13 step or there is another action, just to keep the  
14 process moving.

15           MR. HEMINGER: So no news is good news.

16           MS. MARTINOVICH: That's exactly --

17           MR. HEMINGER: Okay.

18           MS. MARTINOVICH: Because if it didn't  
19 warrant a panic attack, maybe it really isn't a  
20 problem. So that's where we would have some  
21 suggestions.

22           MR. MENDEZ: Let me add a little bit to  
23 that. And, you know, we in Arizona have done this  
24 approach. Do we do it enough? I don't know. I can  
25 tell you the issues that we face, of course, are the

1 potential for lawsuits. So if we begin the design  
2 early, we sort of hear that, well, you may be  
3 predetermined in alignment so that you get wrapped up  
4 in those issues. So there is a risk, no doubt about  
5 it.

6           And you kind of assess things on a  
7 case-by-case basis. Obviously, we know the  
8 communities. We know the environmental issues, so we  
9 can anticipate, you know, assess the risk, if you  
10 will. I can't sit here and tell you that we're doing  
11 it enough, or maybe, you know, we should do more.

12           With respect to the issue, as Susan  
13 mentioned, on the concept of feedback or comments  
14 back from agencies, seems to me, several years ago  
15 when we were preparing for reauthorization, it seems  
16 to me we had a concept that proposed that a lead  
17 agency, a federal lead agency, many cases, as we  
18 speak, would be FH -- Federal Highway Administration,  
19 where they would actually be sort of the coordinators  
20 of all of the federal agencies on a project. Given X  
21 numbers of days that a certain agency had to respond,  
22 then you could assume that's the approval. I would  
23 assume you could expand that to other modes.

24           Taking that approach of a lead agency makes  
25 it easier for us to coordinate directly with one



1 agency. It doesn't mean you don't communicate with  
2 all of the others, but certainly having some kind of  
3 a time threshold where you don't just sit and wait  
4 and wait and wait and wait for an answer.

5 MR. SCHENENDORF: Thank you.

6 Commissioner Skancke.

7 MR. SKANCKE: Thank you, Mr. Vice Chairman.

8 As you can see that there is, looking at  
9 this chart and looking at the process, as my fellow  
10 commissioners know, my issue has been for us to  
11 identify the things that are broken. And both of you  
12 have brought a couple of those things to our  
13 attention today. It appears to be, when we were in  
14 L.A. the last two days, the project delivery process  
15 is one of those items that I think is broken and I  
16 think you've brought that to our attention.

17 One of the things that we learned in L.A.  
18 was the flexibility issue of funding and how states  
19 could use more flexibility as it relates to  
20 coordination of different departments.

21 Susan, you pointed out that the BLM required  
22 a NEPA process and that the Department of  
23 Transportation requires a different NEPA process.  
24 Oftentimes, there's not a lot of coordination between  
25 these, you know, between these agencies and there is

1 not a time certain for delivery on recommendations  
2 back from the departments. For example, when you  
3 submit a project request that those things go out to  
4 different departments and they somewhat take their  
5 time to respond to some of those comments and get  
6 them back to the states, which I think is one of the  
7 things that slows this process down.

8 My question to both of you would be: What  
9 would be your recommendations to this commission if  
10 you could design the policy around project delivery?  
11 Could you help me walk through some of the steps that  
12 we could learn where we could save time and where we  
13 could save money. I think this commission has a  
14 responsibility to also make recommendations to  
15 congress where we can save money to the tax payer to  
16 cut down some of this process and put those dollars  
17 into actual projects.

18 So what would be your recommendations where  
19 we could save time and money, whether it's  
20 flexibility in those situations?

21 MR. MENDEZ: It's my turn to go first.

22 You know, we obviously have a somewhat  
23 complex system here, delivery process, if you will.  
24 The issue of flexibility is very important. Just the  
25 other day we had a major meeting with a lot of

1 legislators, the mayor, et cetera, et cetera, to talk  
2 about some issues, trying to expedite a project and  
3 the bureaucracy. And, you know, talking about risk  
4 earlier, the risk is: Should we go ahead and begin  
5 acquiring right-of-way? That would be common to all  
6 of these alternatives that are being analyzed.

7           And the bureaucracy was -- from a practical  
8 standpoint makes a lot of sense. But now we are  
9 going to have to go with a scramble and create  
10 accounts of state funding that we can use for  
11 right-of-way acquisition. Because we don't believe  
12 the federal regulations will allow us to do that  
13 before we finalize the environmental process. So  
14 there is some practical common sense approach that  
15 maybe we could take, and maybe the rules don't allow  
16 that sometimes.

17           But those are the issues that -- similar  
18 issues that we need to be looking at where what I've  
19 told our federal highway division administrator in  
20 Arizona for many years we've been talking about  
21 streamlining environmental process. And I think  
22 we're all sort of waiting for somebody to do that for  
23 us. So my suggestion to him the other day is, Bob,  
24 you and I, let's streamline it. And then if someone  
25 steps in and says, You guys can't do this, then we'll

1 back up.

2           But somewhere along the line, we really have  
3 to sit down and look at the environmental issues,  
4 some of the more practical solutions. The  
5 flexibility in funding, for example, the situation I  
6 described, when we tried to explain that to the  
7 mayors and some of the legislators, you know, it just  
8 boggles their mind. It's difficult to understand.  
9 And so I think those are issues that need to be  
10 looked at.

11           The other thing that I would suggest,  
12 because I had thought about this last night as I  
13 talked to some of you last night. You know, as  
14 president of AASHTO, I can't sit here and tell you I  
15 know all of the bylaws for AASHTO. But I think what  
16 I am thinking about is maybe commissioning a survey  
17 or maybe do a resurvey of state BOT and ask them in  
18 the survey, of course in a more diplomatic manner:  
19 If you were king of the world, what would we as 50  
20 states recommend as the top three, four, five issues  
21 to streamline?

22           So I will go back to AASHTO, make that  
23 commitment to you, and see if we can do something  
24 like that. I don't really go through the executive  
25 ward and all that, but certainly I think we owe you

1 some kind of survey that says, Okay, here is the  
2 question as you suggested. What can we fix? And  
3 give you the top three, four, five issues.

4 MS. MARTINOVICH: Building on what Victor  
5 said, the final rule on statewide metropolitan  
6 transportation planning just came out. And there is  
7 a statement in here that says, Since iced tea,  
8 congress has added detailed requirements in areas  
9 such as public involvement participation,  
10 inner-agency coordination and environmental  
11 consideration in transportation planning. Those have  
12 been added. So you're adding steps.

13 So my question would be: In using the  
14 survey maybe that Victor has is that are those steps,  
15 have they been successful in doing what they were  
16 intended to do? What was the intent of them and is  
17 it working? Maybe we need to do something else, have  
18 some other steps.

19 It also goes into the risk analysis is that:  
20 Do all those steps have to be taken on every project  
21 and really look at that? So I would look at building  
22 on that is that are we succeeding in what we wanted  
23 to do, or let's take it away and try something  
24 different.

25 Another area that I would recommend is maybe

1 allowing the states some of the stewardship of the  
2 NEPA document. And again, it goes with the risk  
3 analysis. There are stewardship opportunities with  
4 the states and the locals. But expanding on that,  
5 the states know what the issues are. The states know  
6 where the challenges are. So allow more flexibility  
7 in the funding between categories is that if the  
8 states are able and have a priority need, have the  
9 funding of the categories go to where the states feel  
10 the priorities are.

11           They might be new congestion, but sometimes  
12 you can't build your way out of congestion. And it  
13 may be allowing for operations to help with that  
14 congestion. But let the states determine and have  
15 the flexibility to use the federal funding, not be in  
16 a situation of, If we don't obligate all our federal  
17 funding in this category, we lose it. Then you're  
18 making them spend it on projects that may not be  
19 quite the appropriate projects. And so those would  
20 be some of our obligations.

21           MR. SKANCKE: It's a sad state of affairs  
22 when you've got two directors of transportation  
23 sitting in front of you telling you how you have to  
24 maneuver through the process and almost, for lack of  
25 a better term, cheat your way through to get to where

1 you need to go.

2           Looking at this chart, it appears as though  
3 if you take -- if you don't take federal money, that  
4 you shorten this process by at least five years. Yet  
5 you pay into the federal government through gas tax  
6 dollars. Those dollars should come back to the  
7 state. But they come back with so much regulation  
8 and policy attached to them that it's almost easier  
9 for you not to go through the federal government  
10 process.

11           We heard someone say yesterday, and Frank  
12 and I were joking, I don't want your money. And  
13 Frank said, you know what, I'll take it in Wisconsin.  
14 And that's great. But when our departments have to  
15 maneuver through the policy and figure out ways to  
16 get around it, that's -- to me, that's just not  
17 right. That's part of the problem that's broken.

18           So Victor, we would be happy to receive that  
19 information. In fact, if you both have  
20 recommendations to this commission that you are  
21 willing to put in writing, we would be happy to take  
22 those.

23           And I know, Susan, you and I have talked  
24 about a lot of those. But please feel free to submit  
25 those recommendations to the commission. We'd like

1 to have those.

2 MR. BUSALACCHI: You know, Mr. Chairman, if  
3 I could, just to interject a point for Commissioner  
4 Skancke. You know, there has been a very effective  
5 market test of drag that some of this red tape has.  
6 Because very often we'll be involved in California.  
7 I am sure you were involved too in washing funds  
8 between projects. And generally speaking, if you  
9 want to do a transaction involved with the federal  
10 money, it's 90 cents on the dollar. So there's a ten  
11 cent drag. And I think one of our objectives ought  
12 to try to get federal money trade-up on par, a buck  
13 to a buck.

14 MR. SKANCKE: I agree.

15 MR. SCHENENDORF: Commissioner McArdle?

16 MR. MCARDLE: Yeah, more observations and  
17 perhaps an invitation to submit something more to us.  
18 You have a wonderful chart up there, and my aged eyes  
19 do not allow me to see the small print on the far  
20 left. But you have a year and a half planning  
21 studies. I might observe, if you are trying to do  
22 those planning studies with a consultant as opposed  
23 to in-house, you probably add another year, at least,  
24 of consultant acquisition time.

25 MS. MARTINOVICH: Yes, do you, because you



1 have to follow the specific federal process.

2           MR. MCARDLE: So this, I mean, again, it  
3 takes it way out. It's a much further-out element.  
4 And if you consider the time before that when you  
5 even thought about the project so you know you have  
6 to require somebody, you know, to do that planning  
7 study, to get here, that is -- you have  
8 underestimated the total time before you get into the  
9 ground with construction. I just make that  
10 observation.

11           The second question I would ask of you, and  
12 ask you to submit to us is really based on things  
13 we've heard, both from you in your written testimony,  
14 but also we heard yesterday. And that is: Both with  
15 NDOT, but across to the other agencies, there does  
16 not seem to be a lot of consistency in how they  
17 approach project development execution so that when  
18 FTA requires something, it is different than FHWA.

19           And if you are truly trying to manage a car  
20 to circumstance, and take the I-15 corridor for  
21 example, you've defined it. They are not planning to  
22 move the state line at any point soon. So for the  
23 next 50 years, that is going to be a corridor through  
24 which you will do a series of developments. And if  
25 it's FTA, it's one set of rules. If it's FHWA, it

1 seems to be a different set of rules. If you have to  
2 involve BLM, if you have to involve BIA, if you have  
3 to bring any other agency in, each of them appears to  
4 have their own ways of interpreting things.

5           One of the things we might invite from you  
6 is in fact some presentation in that area. Because  
7 if we are to have an impact 50 years out, we cannot  
8 simply address the issues that appear to be narrowly  
9 within the scope of the agencies so much as every one  
10 who can impact this process around. Which becomes, I  
11 think, a critical component with you, both in your  
12 roles as state DOT directors, but equally in the  
13 AASHTO roll.

14           You can kind of, you know, give us some help  
15 in defining how broadly we really do have to call to  
16 the attention of the congress the issues that have to  
17 be resolved, as Tom says, to bring this process down  
18 to the point where you are able to move forward.

19           Not that you would necessarily be familiar  
20 with it, but on the lease water side, which is a huge  
21 grant program, early on in that process, the pipe  
22 projects, they developed a process, the 201 process,  
23 in which you did area wide planning. And once you  
24 defined that and scoped that through, a lot of the  
25 issues that you had to deal with project-by-project

1 had already been resolved. And it worked very well  
2 to shorten time to its execution.

3           The pressure, obviously, was the end-of-pike  
4 standard. Communities were very supportive of that  
5 because the relief that it provided was critical.  
6 We're getting there with congestion in the same way.  
7 It's something to consider.

8           Because clearly, if your master plan had in  
9 fact gone through a NEPA process that had established  
10 it was, in fact, something that had met all the  
11 appropriate tests, then the issues you run into  
12 project-by-project become a lot easier.

13           MS. MARTINOVICH: We'll work with Victor and  
14 put something together.

15           MR. MCARDLE: Thank you.

16           MR. SCHENENDORF: I guess I have one big  
17 question, but I do want to comment a little on the  
18 streamlining this.

19           Having worked on the committee for 25 years,  
20 I've put many requirements in place. They are all  
21 put in place for good intentions, but there are  
22 unintended consequences to them. And they are put in  
23 place in a political environment. And I would say  
24 that it would be enormously helpful to have AASHTO  
25 come forward with recommendations of ideas, ways to

1 shorten this process. But it's going to take more  
2 than that.

3           It's going to take talking to politicians.  
4 It's going to take building coalitions, getting  
5 state, local, officials calling for these changes, to  
6 work with the environmental groups on these things,  
7 to make sure that it is a bipartisan and it isn't  
8 partisan in any way. If we are going to be  
9 successful in the political process of making real  
10 reform, then we have to approach it as not only  
11 what's wrong, and how to protect it, but how can we  
12 take it to the political empire that's in Washington.  
13 It's not an easy task.

14           The second point I wanted to make was one of  
15 the things that you both mentioned a number of times  
16 was that, you know, you've looked at these vision  
17 plans, the lack of funding. And part of what our  
18 mission is as a commission is to come up with the  
19 vision for what we need as a nation 50 years from  
20 now. And we are trying not to be constrained by the  
21 funding part of it.

22           This country has a great history. You go  
23 back to Abraham Lincoln and his vision for the  
24 railroads and the intercontinental railroad system.  
25 Whether it was Teddy Roosevelt with the Panama Canal.

1 If it was Franklin Roosevelt, Dwight Eisenhower,  
2 basically, coming up with the vision of what's  
3 international interest and then figuring out how to  
4 fund it.

5           If you come up with the right vision, you  
6 can find the funding and create that compact with the  
7 American people to get it accomplished. But we need  
8 the vision. And the Department of Transportation, we  
9 would very, very much like your input both today and  
10 over the process of this commission in helping us  
11 figure out what should that vision be for 50 years so  
12 we have the frame and economic growth to prepare  
13 people and we have the same kind of quality of life  
14 that we have today. So if you have any comments on  
15 that now ...

16           MR. MENDEZ: Yeah, Mr. Vice Chair. If I  
17 could, a couple of comments to address both the  
18 streamlining issue. I whole-heartedly agree with  
19 you. And the message that I've been hearing in  
20 Arizona for a long time is to ensure that we -- with  
21 the environmental community, that we all understand  
22 what we're talking about here is not undermining the  
23 environmental process, that we are streamlining. I  
24 think that's a very critical message to be able to  
25 develop that partnership with the environmental

1 community. Because if they sense we're trying to do  
2 something bad to the environment, then all bets will  
3 be off. And that's not what we're trying to do.

4           The other issue with regard to the vision, I  
5 can tell you that sometime soon we will be delivering  
6 an AASHTO -- from the AASHTO perspective, we have  
7 been working on policies in various areas to help us  
8 establish a vision as AASHTO and the members see.  
9 And we will be delivering those recommendations to  
10 you to helpfully help you establish that vision.

11           MS. MARTINOVICH: I support what Victor  
12 says. Both Victor and I are -- have been sharing a  
13 lot of the visionary policy teams for AASHTO. And  
14 that is our intent to move forward with some  
15 recommendations that we as a nation seek, including  
16 our individual state's perspectives. But we need to  
17 look at this thing globally.

18           MR. SCHENENDORF: Thank you.

19           And do any of the other commissioners have  
20 any questions?

21           MR. MENDEZ: Thank you very much.

22           MR. SCHENENDORF: Thank you very, very much.

23           MS. MARTINOVICH: Enjoy your stay in  
24 Las Vegas.

25           MR. SCHENENDORF: Enjoying it.

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(Applause.)

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