STATEMENT OF

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ON BEHALF OF THE
NATIONAL ASSOCIATION OF COUNTIES

ON
IMPROVING THE PERFORMANCE OF OUR TRANSPORTATION SYSTEM

BEFORE THE
NATIONAL SURFACE TRANSPORTATION POLICY AND REVENUE STUDY COMMISSION

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Good morning. My name is Scott Haggerty and I am a Supervisor from Alameda County, CA. Today I am representing the National Association of Counties (NACo), which represents America's 3100 urban, suburban and rural county members.

Counties own 1.77 million miles of highways or 45 percent of the nation's highways, 256,000 bridges or 44 percent of the bridges, and one-third of the transit systems. Without the federal government, we would have not seen the construction of the Interstate system, or experienced the renaissance in public transit that has occurred throughout the United States. At least through the 2009 reauthorization of the federal highway and transit programs, NACo expects the federal gasoline tax to continue to fund the bulk of federal highway and transit projects. In fact, NACo's existing policy calls for an indexing and increase in the federal tax. The gas tax is currently the only proven federal financing mechanism that broadly contributes to the improvement of county-owned systems of arterials and collectors, bridges, and bus and rail transit systems. At the same time, other options need to be available to those counties, cities, and states that want to use a more robust public-private partnership or experiment with various demand management approaches. As a local government official involved in almost level of transportation planning in my county and region, when it comes to federal transportation policy, I know that one size does not fit all. In terms of the future, we are open to exploring all options as it relates to federal policy for raising revenue for surface transportation as long as a major federal role is retained.

If Americans are expected to continue to support a continued major federal investment in transportation, it needs to be clear what the rationale is for imposing the federal gasoline tax and what results Americans can expect when it comes to the expenditure of federal revenue. County officials have a clear vision of why it is important to continue a robust federal program—reducing congestion and making our transportation system safer.

Congestion is getting worse in metropolitan areas. To address this issue, we need to follow several principles:

Better decision making-- decisions on the investment of federal transportation funds in congested regions must be made cooperatively by state and local officials. These decisions should be made regionally as congestion is generally a regional problem and adjustment to one part of a region affects the other parts. Our road system is based on connectivity and while many drivers don't realize when they move from a county or local road to a state road, any breakdown on either system affects the other. Most of the federal surface transportation funds need to be on the table as congestion reduction projects are debated.

More local government input--currently each of the major federal highway programs, STP, Bridge, NHS, Interstate and CMAQ, have different methodology for deciding who takes the lead and who is involved in project selection. If upgrading a bridge is one option to opening up a bottleneck, all levels of government ought to participate cooperatively in deciding if that is the correct choice. Yet, under current federal law, often county officials can't be equal players in that decision and other decisions related to project selection where federal funds are involved.

Faster Project Approval—congestion is a problem now and projects to relieve congestion need to be completed quickly. To avoid time consuming duplication, when there are both federal and state environmental requirements for permitting, projects should only be required to go through the process with the strictest requirement and, if approved, the presumption should be that the project meets both environmental requirements.

Better accountability--finally, if we are dealing with limited resources, projects and decision makers ought to have some clear accountability when spending federal funds for congestion---the projects need to result in demonstrable congestion reduction.

With an improved decision making process, congestion can be addressed through capacity enhancement projects, more transit, and incident management. Where practical, politically acceptable, and affordable, new and additional capacity can be constructed.

We are hearing from many of our members in both metropolitan and rural communities that they have a desire to offer better transit services to their constituents. Transit may not be for every community but where it is affordable, frequent, convenient and comfortable, people will use the systems and it will have a reasonable impact on contributing to congestion reduction.

If the estimates are correct that 50 per cent of congestion is created by incidents, we ought to be able to spend some substantial federal funds to attack this problem. Accidents and breakdowns occur and metropolitan regions should have aggressive strategies to minimize these incidents and when they occur to quickly resolve them. Some incident management strategies relate to technology, some to better telecommunications, some of the solutions are very low tech, and others come from better intergovernmental cooperation.

Let me move on to safety. The death of 43,000 Americans annually on our highways is unacceptable. NACo's second vision is a federal program that will seriously address this national embarrassment. In this context, we believe the problem of highway fatalities is disproportionately a rural problem and even more so a problem on rural roads owned by local governments. More than 25,000 people die each year on rural roads, which translates into a fatality rate that is 2.5 times greater than on urban roads. According to a US General Accounting Office report, rural local roads had the highest rate of fatalities per mile traveled of all types of roadways. Major rural collectors, which represent the greatest number of miles of county roads eligible for the federal-aid program, had 5,816 deaths for a rate of 2.81 fatalities per 100 million Vehicle Miles Traveled (VMT). These roads received $1,600 per lane mile in federal funding. In comparison, fatalities on urban freeways and expressways were 1,354, the fatality rate was .79 and $81,000 in federal funding was spent per lane mile. In SAFETEA-LU the Congress created a new Highway Safety Improvement Program and required each state to develop a strategic highway safety plan. In developing this plan, eight stakeholders are supposed to be consulted. Amazingly, local elected officials are not included. If the federal government wants to reduce auto fatalities, there is no better way to do so than to ask those officials in the communities with dangerous roads and there is no better investment than on roads in rural counties through the installation of guardrails, rumble strips or median barriers, improvement of lighting, signage and pavement markings, and the widening of shoulders. Regardless of ownership or functional category, the money needs to be put on those roads to make them safer. If a minor rural collector is the most dangerous road in the county, let's invest federal funds in making it a safer road and eliminate the restrictions on minor rural collectors being generally ineligible for federal funds. Taxpayers care about their family's safety not about a federal functional classification system.

I wanted to take a few moments to address the intergovernmental financing of surface transportation from a county/local government perspective. According to a US Chamber of Commerce 2005 report, local governments spend about $36 billion annually on highways, about 20 per cent more than the federal government but 42 per cent less than the states. According to recent Census data, counties spent $16.394 billion on highways--$9.745 billion in the 473 counties with populations above 100,000 and $6.694 billion in the 2561 counties below 100,000. Other data shows that local governments spend about $28 billion annually on transit, about 300 per cent more than the states and almost 350 per cent more than the federal government. Local government raises its highway funding almost entirely from property taxes and the general fund, referred to as "own source" revenue while the state raises about 75 per cent of its funds from gas taxes and vehicle fees. The federal government relies almost entirely on the gas tax for funding highways. This is a problem for local governments which, unlike their intergovernmental partners, rely primarily on sources of revenue that have nothing to do with usage of the system. Raising property taxes is often unpopular politically and from the perspective of a citizen caught in congestion or navigating an unsafe road, there may be no connection between increasing property taxes and better roads. And local funding options are somewhat limited by both politics and because local taxing authority is something that must be given to a local government by state action or permission. Even when local officials are willing to take a chance by imposing additional or new taxes for transportation, a state may be able to make it impossible. Transit funding is different with the federal government contributing nearly 50 percent of the capital funding with locals picking up most of the rest and operating funding using only 7 per cent federal funding and the bulk of the remainder coming from sales taxes and the fare box.

In a number of large metropolitan counties in California, we have been successful in raising substantial additional transportation funds through the imposition of a sales tax. In the San Francisco Bay Area Region represented by the Metropolitan Transportation Commission, seven of the nine member counties have a voter approved sales tax measures for transportation. Collectively, the seven counties raise between $440 to more than $500 million annually for this purpose. These funds have been critical to projects that address everything from improvements to a multitude of federal and state highways, expansion and enhancement for dozens of transit agencies to bike and pedestrian improvements. While we are the exception and in spite of this success, much remains to be done.

This concludes my testimony and I would be happy to engage Commission members in an extended dialogue.