

NEWS from Congressman John W. Olver (MA-1)

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Opening Statement as Prepared of Chairman John W. Olver DOT Secretary Mary Peters Hearing

I would like to welcome the Secretary of Transportation, Mary Peters back to the Subcommittee.

Madam Secretary, thank you for being here today. We appreciate you taking the time to present and answer questions about the President's fiscal year 2009 budget for transportation.

I know we sometimes have different perspectives on transportation policy, but I have always appreciated your candor, accessibility, and willingness to work with us.

This is likely to be your final year as Secretary and I wish you the best this year as you close out your term and also with your future endeavors.

Madam Secretary much has happened since the last time you appeared before our Subcommittee:

The tragic collapse of the I-35 Bridge in Minnesota put a spotlight on the rapidly deteriorating state of our nation's infrastructure; the Highway Trust Fund will become insolvent in fiscal year 2009 and the future viability of federal transportation financing is in doubt.

With these issues as a back drop, last month a super majority of the *National Surface Transportation Policy and Revenue Study Commission* released recommendations to shore up the nation's transportation finances and infrastructure through tolling and congestion pricing, public-private partnerships, and raising the federal fuel tax.

Concerning Aviation, the percent of on-time flight arrivals in 2007 dropped to 73.4 percent, the worst year for delays since 2000.

Controller departures and retirements continue to exceed FAA projections. The FAA estimated that 700 controllers would retire in fiscal year 2007, but the actual figure was 828.

Even more worrisome, the *Washington Post* recently reported the percentage of certified controllers compared to the percentage of trainees has plummeted from 83 percent in 2000 to 74 percent today.

With Transit, we are finding that there is a growing need to improve our nation's public transportation systems. A case in point, SAFETEA-LU created a new "Small Start" program for

smaller, less expensive fixed guideway projects such as bus rapid transit, commuter rail and streetcar projects. While this program is only a few years old, I note from your budget request that there are sufficient projects in the pipeline to utilize the fully authorized level of \$200 million. Clearly, this speaks to the demand for transit.

Finally, Amtrak continues to experience record ridership. Ridership increased to almost 26 million passengers in fiscal year 2007 (compared to 24.3 million in FY 2006) and not surprisingly with higher ridership has come increased revenue. But the capital needs of the system remain large. The Passenger Rail Working Group recently issued a report that showed \$7.4 billion would be needed each year between 2007 and 2015 to maintain the existing Amtrak system, continue the development of new corridors in planning or development, and to create new routes to link major urban areas.

The issues I have just discussed combined with increased population growth and demographic shifts in the coming decades will continue to strain an already overburdened transportation system.

The needs of that system are great.

As you know, *The National Surface Transportation and Revenue Study Commission* performed a detailed analysis of the resources needed to both maintain and improve our highway, transit, and rail infrastructure.

On the **high end** the Commission pegged the funding needed to maintain, upgrade, and expand our transportation networks at \$225 billion* annually over the next 50 years.

Yet, at a time when we should be working together to increase federal investment in transportation infrastructure, the President's budget would erode federal involvement and resources in transportation.

This budget, in many respects is a carbon copy of the budget submitted by the President last year and does little to meet our future challenges:

- The Highway and Transit Guarantees are not met;
- The Airport Improvement Program is cut by \$765 million or 22 percent from the fiscal year 2008 level;
- The budget for intercity-passenger rail would force Amtrak to shut down or severely curtail service. In addition, the budget for Amtrak does not appear to acknowledge the unanimous recommendations of the Presidential Emergency Board that was completely appointed by President Bush.
- Finally, Essential Air Service, which has broad bipartisan support, would be cut by \$75 million or 60 percent from the fiscal year 2008 level.

I am particularly concerned about the Administration's proposal to borrow funds from the Mass Transit Account, to fund the shortfall in the highway program. This is a very temporary and short-sighted fix.

When we get to questions, I would like to hear your thoughts on what mixture of long-term solutions you think we should pursue to shore up the federal transportation finance system.

Madam Secretary, I strongly believe that the federal government must stay an active partner with the states and local government when it comes to funding our transportation infrastructure.

I fear that there has been a deliberate effort by the Administration to slowly chip away at the federal role in transportation and I hope we can explore this issue more today with you.

Before we have the opportunity to hear from you, I would like to recognize my Ranking Member, Joe Knollenberg for any opening remarks that he would like to make.

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