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Opening Statement of Senator Chuck Grassley  
Senate Finance Committee Hearing  
Transportation Infrastructure: Issues and Options  
Thursday, July 10, 2008

The next Congress will be faced with the monumental task of reauthorizing our nation's surface transportation laws. The Senate Finance Committee will play a vital role in this process. This is the first of many hearings that will be held regarding important topics related to the reauthorization.

I commend the Chairman for focusing on improving transportation which is essential for the economy, trade, and the vitality of all of our states. He has been a true leader for many years in this area and I am pleased to continue to be his partner in pursuit of sound sustainable highway policy. We started this effort in 2001 when I was Chairman of this Committee with a look at epidemic proportions of fuel fraud throughout the system.

Through multiple bills signed into law by the President, we have shut down billions of dollars of fuel fraud scams to bring more financial stability to the Trust Fund. In addition we have totally updated the fuel system to recognize the nation's need for alternative fuels. The Volumetric Ethanol Excise Tax Credit, commonly known as VEETC, also stabilized the trust fund with billions of new dollars, and gave state and local governments and schools refundable excise tax credits of 50 cents per gallon for all alternative fuel they use in their vehicles. These are all good solutions produced by the hard work of this Committee, but we need more.

Our current system is no longer sustainable to meet our country's transportation needs. The testimonies we will hear today will provide us with many things we need to carefully consider as we develop the next bill. These are large questions such as:

"How to define the federal role in surface transportation?"

"How to more rigorously evaluate, analyze, and assess projects?"

"How to create a sustainable surface transportation program?"

"How much funding is needed for the next bill?"

Finally, we can not forget that we are facing an immediate crisis before we get to the reauthorization of the surface transportation bill. The Highway Trust Fund is expected to have a shortfall in funding at the authorized levels of SAFETEA-LU for fiscal year 2009.

Chairman Baucus and I have committed ourselves to filling this shortage of funds.

The Senate Finance Committee has aggressively included ways to fill this shortfall in previous markups and bills. However, the proposals have not yet been enacted into law. We must get this done immediately.

It is vital that Congress hold up our end of current law and keep the Highway Trust fund whole in the short term so we can focus on long-term policy and financing solutions to meet our surface transportation needs.

It is my hope that we can have an important national dialogue in the coming days so Congress can act in a prudent manner to reauthorize the highway bill.

And finally, I would like to take a few moments to recognize JayEtta Hecker. JayEtta has been a strong partner with this Committee over the last seven years, showing leadership in all aspects of Highway Trust Fund responsibilities. It's my understanding that after a long and successful career as a government servant, she will be retiring. I wish you my hearty congratulations and appreciation.

I also want to recognize Elizabeth Paris, as this is her last official hearing. On Monday of this week she was confirmed as Judge of the United States Tax Court.