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Remarks of
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Before the National Surface Transportation Policy & Revenue Study
Commission
National Field Hearing
"Improving the Performance of Our Transportation System"
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Good Morning. And, thank you for the opportunity to be with you today.

We approach this hearing with grave reservations about the ability of the nation's transportation system to meet the demands of a complex, growing and globally connected society.

We appreciate that you share this concern and are dedicating yourselves to the service of our nation.

For the purpose of this morning's hearing, we believe we do not need to re-emphasize the crisis we will be facing if we don't renew our vision for the nation's transportation infrastructure.

In your consultations, you have no doubt heard endless testimony about what the Commission should do. Rather than take that approach, we will instead focus on three things we believe you should diligently avoid.

First, avoid the temptation of "solving" the funding problem without first understanding what it is we need to fund.

To do so, we must look further than the next four or five years. We need to understand how our country will change over the next two or three decades and what it will need from its transportation system.

There are important questions that need to be addressed. Here are just a few:

- How will demographic shifts and the distribution of the population affect transportation?
- What effect is globalization having on where goods are manufactured and how they journey from there to each of us?
- How will changing fuel sources affect our transportation systems?
- How can we ensure that safety is a central factor in all transportation system planning?
- How do we meet the needs of travel and tourism, a dynamic and growing economic engine in this country?

Second, when you do resolve the more tactical issue of "how to fund", don't underestimate the growing perception that some interests wish to "reverse mortgage" our roadways.

Whether the advocates for innovative funding realize it or not, by leaping over the question of needs and immediately embracing tolling, pricing and public-private partnerships (in particular the long-term lease of existing roads) they have prompted concerns about an "agenda" that may not serve the public's interest.

Let me be clear...AAA <u>does not</u> categorically oppose any of these funding options, including the concept of public-private partnerships. But they are not appropriate for all roads, or in all situations. And AAA will be probing issues such as:

- Has the state thought through the implications of roads within a region being under different ownership with divergent interests?
- How will concession agreements ensure that the roads are operated and maintained to at least the current level of safety and reliability?
- How will future tolls be set?

AAA has gone on record with Secretary Peters expressing our concerns and we have publicly urged the DOT, governors, and state and local elected officials to put the public interest first as these funding discussions proceed. We will remain actively involved in these

embrace conclusions that have been evolved without meaningful input from the user community.

What ever the conclusion, it will need to be explained to a dubious public. That alone will be challenging. Under the circumstances, it strikes me as strange that the Administration – and I refer <u>not</u> to the members of the Commission -- has not been more inclusive of those who travel the roads and pay the bills.

Which leads me to invite you to reflect on AAA's "Motorists' Bill of Rights". AAA's ten principles outline a series of core values that should be reflected in a new transportation vision. They get to the heart of what "transportation customers" should expect from a program that will inevitably require them to pay more.

We all know the motorist will fund the lion's share of whatever transportation infrastructure the nation needs. Fine; we're not asking for a free ride. Fundamentally, what we are advocating is that the users be assured a return on investment that includes increased safety, greater reliability, and reduced congestion.

Let us never forget that, in the end, users will have the last word by the choices they make, whether at the ballot box or how they decide to travel.

AAA recognizes that the federal transportation program of the past half-century will not suffice in the future. We are prepared to fully consider, on behalf of motorists, every structural and financing proposal put on the table.

However, there can be no short cuts here. Funding proposals must be put in the context of a larger vision and purpose for the national program. If that has happened, it has escaped many of us.

All of us who care about our nation's transportation system realize that we have to mobilize public interest. Doing so will garner support (in both living rooms and legislatures) for the increased investment that will inevitably be required.

In conclusion, the work you are doing will have a profound effect on America.

Our forefathers came here in search of freedom of expression. Having traveled a considerable distance and discovered a vast land, they came to appreciate the importance of another important freedom – their mobility. As a result, they built and bequeathed to us the greatest transportation infrastructure known to man.

As a nation, we are no doubt clear on the importance of safeguarding our freedom of speech. As stakeholders in transportation, are we equally eloquent – and effective – in protecting our freedom of mobility?

I don't know that we are... but I know we can be.

We appreciate the leadership the Commission will demonstrate in this regard.



BILL OF RIGHTS FOR THE NATION'S MOTORISTS ON TRANSPORTATION FUNDING

- 1. The United States requires a new vision for transportation that addresses 21st century needs, ensures broad access, adequate funding, and equitably allocates benefits and payments among users.
- 2. A new transportation vision must ensure that the system significantly enhances safety, mobility, and reliability to provide an appropriate return on investment to motorists who will continue to pay most of the costs.
- 3. Transportation improvements should be based upon needs that are clearly identified, and outcomes that are supported by research and assured through application of performance standards.
 - Transportation taxes, fees and other revenue collected from motorists must be equitable and transparent. Transportation agencies must demonstrate to the public that transportation resources are managed wisely and efficiently.
- 5. Motorists must receive direct and recognizable improvements to their travel experience if they are asked to pay more.
- 6. Revenues generated from taxes, fees and other pricing mechanisms paid by motorists must be dedicated solely to meeting identified transportation needs and protected from diversion to other uses.
- 7. Funding alternatives to supplement or eventually replace motor vehicle fuel taxes must be carefully evaluated as to their ability to be efficiently implemented, accepted by the public, allocated fairly, fully dedicated to transportation needs, and be resistant to fraud and evasion.
- 8. Public-private partnerships to increase transportation investments must be carefully managed to ensure that motorist fees are fair and equitable, that motorist fees are not diverted to non-transportation purposes, and that the facility is consistently maintained and improved.
- 9. Publicly-owned transportation facilities should only be sold or leased to private interests if agreements require the maintenance of high levels of service and remain under public oversight. Revenues resulting from the sale or lease must be used only for transportation purposes and compensate the public for the value of the facility.
- Transportation fees, taxes, and other revenue collected from motorists should fairly represent their use of the system, and all transportation system users should bear a proportionate share of financing the system.