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Between February, 2003 and January, 2007 Mr. Martin was the Secretary of the Illinois Department of Transportation where he oversaw all aspects of the Department including the operations and maintenance of a staff of over 5800 and an annual operating budget in excess of \$ 2 Billion and an annual capital program that varied between \$2.3 Billion and \$1.5 Billion.

During his tenure at IDOT, Mr. Martin also oversaw the reorganization and downsizing of the department as well as the ISO 9000-2001 certification of the highway design components. In addition, Mr. Martin has also testified in front of Congressional Committees and Illinois Legislative Committees and successfully negotiated a number of pieces of legislation that have been enacted in Illinois. Martin also oversaw the reorganization of the Department's Traffic Safety efforts that have in part led to a reduction in over 200 fatalities per year over the last three years. IDOT also reconstructed three major segments of urban interstate highways simultaneously over the last four years. Those projects are now receiving awards for design, environmental and construction excellence from various organizations.

Prior to IDOT, Mr. Martin served as the Chief Operating Officer for the Chicago Public Schools between 1997 and 2003. At CPS, Martin was responsible for the day-to-day operations of over 600 schools including student transportation, food service repairs and custodial operations. In addition CPS undertook one of the most aggressive capital programs consistently opening more new classrooms each year, than any other year in recent history. Martin oversaw the privatization of all repairs and the private management of all student transportation operations, bringing stability and accountability to a previously chaotic system.

Between 1987 and 1997, Mr. Martin served in a number of positions with the Chicago Department of Transportation and the Department of Public works. While there he oversaw the reconstruction of State Street and the relocation of Lake Shore Drive which formed the Museum Campus on Chicago's lakefront. Both major projects were brought in on time and within the originally programmed budget.

Mr. Martin has a BS in Engineering from the University of Illinois at Chicago and an MBA also from the University of Illinois in Chicago. He is a licensed registered Professional Engineer in the State of Illinois.

Testimony
Timothy W. Martin PE
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Freight and Business

There are many out there that dream and pine for the “good old days”, when life was simple, everyone had a clear direction of where their life was going, there was no congestion, and milk and bread came from the local grocer a few blocks away. The United States did not have a real understanding of what a global economy was and the biggest threat was the “Cold War”. Those times were indeed simpler; there was less pressure, oh the good old days. What happened to them? Productivity, efficiency and disposable income all happened to those good old days. Without improved productivity and efficiency we would not have the disposable income and most certainly we would not have the standard of living that many of us enjoy today. It is improvements in these areas that has brought the global economy to our doorsteps in a few short years. It will continue to be the global economy that will drive our prosperity for years to come. If we are not cautious, it will be global competition that will overtake the United States.

There are many sources that talk about how we are a few years into a 20 year cycle where there will be a doubling of freight movements in the United States. There are charts and maps which show the convergence of the Interstate system in Illinois, the convergence of the nation’s rail network in Illinois, and the growth in air freight shipments. I think that anyone who has seen the Centerpoint Arsenal Facility in Elwood in action, and looks at how it has expanded beyond predictions, drives any of the interstates in the Chicago Region, or visits the UPS facility in Willow Springs can attest to the fact that we are well into that doubling of freight traffic. Right here in Chicago, motorists are reminded of the increase in freight traffic as the Dan Ryan Expressway is rebuilt. The bridge between 13th Street and 31st Street was rebuilt about 15 or so years ago and is being redecked as

we speak. Was this as a result of faulty workmanship, or a poor design, no, it was because truck traffic is currently over 150% of the design prediction made in the 1980's. Going south to Interstate 80-94 a much needed capacity improvement will be complete this year, that is good news, the bad news is that the new lanes will be fully utilized within ten years, and there are capacity constraints a few miles to the west, as Interstate 80 crosses the DesPlaines River. Depending on which study you look at Chicago is the second or third most congested region in the country.

What does this have to do with transportation in the United States, why should a National Commission of experts care about this, and what does it have to do with the price of Starbucks, in China? These factors are all linked and if the United States does not deal with these issues head on we will certainly find ourselves on the precipice of a declining economy. The past few years have seen a few critical "firsts" and they need to serve as a wake-up call to us all, and there is a critical "first" staring right at us. This past year saw the first time net fuel revenues going into the Highway Trust Fund have declined. Is it because of gas prices, increased ethanol use, fuel efficient cars, less driving, greater use of public transit? It wasn't that American's were driving much less, and we don't have the time to model the factors and then develop a solution, but it must cause us to rethink the way we fund some of our most critical infrastructure components. Another first happened in 2005 when we saw an increase in the percentage cost of logistics to the Gross Domestic Product. Since 1979 this percentage has shown a consistent decrease, it was one of the factors holding down the costs of goods and services and stimulating our economy. It was one reason that brought a group of business people to Washington to say something needs to be done about the efficiency of the freight network in this country. Most importantly though, in 2009 we will see a first with the Highway Trust Fund hitting deficit status. Some will say it can't happen, others ask where the political will to prevent it from happening is, many are predicting what will happen. These are uncharted waters, and a countdown clock won't help, finding a scapegoat won't help: one thing for certain though, something will fail somewhere. Some agency won't be there with the emergency fix before the failure happens, I can tell you first hand, there are many nervous engineers and operations people out there throughout the country, if they knew when or where they

would fix it, they are afraid of what they don't know. The good news in this scenario though is that this Commission was appointed before any major failure occurred and the warnings have been sent out numerous times throughout the country.

I am not here to advocate tolling all new roads, nor am I here to advocate raising fuel taxes to make the federal government pay its continuing fair share to ensure true interstate commerce and travel, I am not here to suggest the devolution of the federal aid system to the states and local jurisdictions, or am I trying to advocate GPS transceivers in all vehicles. I am here to say that if the Commission does not recommend some portion of all of these and other items; something will fall, and someone may get hurt and eventually our economy will begin to shrink, imperceptibly at first, but it will start. Global Insights has already shown this.

Whatever is developed must address the short term need to rehabilitate and maintain the existing infrastructure in a safe condition, and catch up with the purchasing power lost over the last four years. This needs to be in place before the Highway Trust Fund runs into a deficit so the states can develop some type of GAP funding mechanism. There also needs to be a strategy that allows the federal government to balance the interstate travel needs and the urban network needs, some may call this devolution, but transferring the funding and oversight along with appropriate guidelines closer to where the decisions are made would help to speed the process in some cases. This in turn may help the states and local jurisdictions more closely link development and re-development of land with a more reasonable transportation network, and not shift the burden to some unknown fund source in the future. We need to develop better strategies and incentives to bring together the logistics professionals, the DOT's, the designers, contractors and the financial experts to identify the bottlenecks, develop and implement solutions in an expedited cost efficient manner. This is not a national one size fits all solution, it is a regional and local problem solving issue. There are companies and organizations that can do this, and do this within their own properties, but the bottlenecks are now in the public realm and we need to find creative ways to finance and implement these alternatives.

How do we Approach a Solution

First, celebrate the fact that a vision was developed over fifty years ago and it was able to evolve, survive, and thrive. Then we must quickly turn to implementing that vision for the future, in order to maintain our economy and to figure out what we will leave for generations to come as leaders did in the early 1950's. It will be selfish for us to use precious resources and not provide for a way to maintain our infrastructure in the future. It will be selfish for any industry to say the only solution is for the government to come to the rescue with new user fees that do not reflect their growing needs and the impacts of their use. It will be selfish of us to focus on the logistics and freight industry and ask that they shoulder the burden of capacity building when the infatuation with the car is also contributing to congestion.

We have not done a good job as transportation professionals explaining that for the last 5 or 10 years no one has been paying their "fair share" at the pump. It is hard to do this when fuel has increased to more than \$2.50 per gallon and it fluctuates daily. What percentage of the people on the street, the independent truckers, the logistics managers or even the media could tell you what the federal fuel tax is, is it a fixed cost or a percentage, and what are the state and local tax/fee components of a gallon of fuel. I am sure most would say that "it is too much", but could not give an answer. Do we hold out hope for "deflation", no one who has been to Asia or looks at the current rates of spending in Asia can say that the demand for steel, concrete or oil will decrease anytime soon. We must do something that is broad based and flexible, something which reflects the true cost of the infrastructure we use and count on. We must develop a stepwise solution within the next two years or risk watching components of our network begin to fail.

We must be able to articulate that in 1996, the tax per gallon was 0.183, and today it is 0.184. In 1996 the nationwide ENR construction cost index was 5620, and today it is 7751, a 38% increase, most of it coming in the last two years. This "basket of goods" reflected in the index won't build a bridge, won't widen a road, won't construct a railroad

viaduct that improves safety and reduces travel time, every agency can show that the real cost of doing these projects has increased 30 to 40% in the last four years. What does the average person understand about the changing costs of infrastructure, very little? They understand the choices they make for health care, housing, education and food but do they know that next to housing, transportation takes the next largest piece of the average budget.

For years the Highway Trust Fund was not an issue as the vehicle miles traveled increased at a rate greater than inflation and revenues outpaced costs. We all know that is not the case today. I am sure the average respondent would say that for the last 5 or 10 years the system has slowly become more congested, but there is no one event that galvanizes it for the public. It is no longer good enough to give infrastructure a failing grade. We must articulate the consequences of inaction. Where do the failures begin to occur, how will they be manifested in our day to day lives? More load limits on bridges, bridges beginning to close, more detours, increased repair costs for vehicles because of deteriorated conditions, and increased costs for goods and services as a result of greater increases in travel times and inefficiencies. All of this is happening today, unfortunately it is happening as a process and we only react to events.

Conclusion

We know how to react to an earthquake, a hurricane or a tsunami; we don't know how to react to a slow strangulation of our transportation network. Imagine the impact on our economy if all transcontinental car, truck and rail crossings occurred between Clinton, Iowa and Fulton Illinois, on a two lane US 30, near the site where General Eisenhower crossed the Mississippi in 1917 on his way to San Francisco. It was one thing that helped galvanize the debate in the 1950's. Politics were put aside and the direction of the country was put ahead of all else. If you look at the history of the discussions of the Clay Commission, some of the issues were the same, but today the pressures are global in nature and not local. Back then they looked at the alternatives, the consequences of doing

nothing and doubled the tax to \$0.03 per gallon and gave a clear direction on what to do.
Oh the good old days.