

**STATEMENT OF
THE HONORABLE RAY LAHOOD
SECRETARY OF TRANSPORTATION**

**BEFORE THE
COMMITTEE ON THE BUDGET
UNITED STATES SENATE**

February 15, 2012

Introduction

Chairman Conrad, Ranking Member Sessions, and Members of the Committee, thank you for the opportunity to appear before you today to discuss the Administration's fiscal year (FY) 2013 budget request for the U.S. Department of Transportation. The President is requesting \$74 billion for Transportation in FY 2013.

The President has called on us to rebuild America – to put people back to work repairing our roads, bridges, transit systems, and airports. He has called on us to restore our values – to ensure that America, once again, is a place where everyone gets a fair shot, everyone does their fair share, and everyone plays by the same set of rules. To achieve this, he has laid out a blueprint for “an America that's built to last” -- a plan that will equip American workers to seize the opportunities of tomorrow and make certain that businesses and families have the safest, fastest, and most efficient ways to connect with these opportunities.

At this make or break moment for the middle class, President Obama has proposed a six-year transportation jobs plan that puts people back to work rebuilding our airports, roadways, railways, and transit systems. The FY 2013 President's Budget reflects the first year of this bold six-year \$476 billion reauthorization proposal that will transform the way we manage surface transportation for the future.

This proposal will be fully paid for. We will pay for the investments proposed under the Surface Transportation Reauthorization Proposal with the savings achieved from ramping down overseas military operations to do some Nation-building right here at home.

Investing in America's Future

Investment in transportation is critical to the success of our Nation's economy. The FY 2013 President's Budget will enable us to build America's infrastructure for the future – while putting people back to work today. The President's six-year surface transportation reauthorization proposal will improve the Nation's highways, transit, and rail infrastructure and will ensure that these systems are safe. The President's FY 2013

Budget request also reflects an additional \$50 billion in funding for Immediate Transportation Investments in FY 2012. We will invest in critical areas of transportation to provide a targeted economic boost and jump start the creation of jobs throughout America.

The President's Budget provides \$47 billion over six years to continue construction of a national high-speed rail network. The Federal Railroad Administration is working with States to plan and develop high-speed and intercity passenger rail corridors across the country. These projects include upgrades to existing services, as well as entirely new rail lines exclusively devoted to 125 to 220 mph trains. These corridors will promote economic expansion, create new choices for travelers, reduce National dependence on oil, and foster livable urban and rural communities. In FY 2013, the President's Budget proposes \$2.5 billion for this program.

The President's Budget will provide \$305 billion over six years in funding for road and bridge improvements and construction – a 34 percent increase over the previous authorization. It will also simplify the highway program structure, accelerate project delivery, and realize the benefits of highway and bridge investments to the public sooner. These investments and reforms will modernize our highway system while creating much-needed jobs. The proposal consolidates more than 55 programs into five new programs that invest in roads most critical to the National interest: the National Highway Program; Highway Safety; Livable Communities; Federal Allocation; and, Research, Technology, and Education. It also establishes a performance-based highway program in the critical areas of safety and state of good repair, and provides resources and authorities to spur innovations that will shorten project delivery and accelerate the deployment of new technologies.

The President's Budget also includes \$108 billion over six years – a 105 percent increase – in funding for transit. It will prioritize projects that rebuild and rehabilitate existing transit systems, include an important new transit safety program, and allow larger transit authorities (in urbanized areas of 200,000 or more in population) to temporarily use formula funds to cover operating costs in limited circumstances.

The Administration's Surface Transportation Authorization proposal also acknowledges the important role that innovation and modern business tools play in putting our transportation dollars to work wisely. We can no longer afford to continue operating our systems the same way we did 50 years ago, with outdated processes and financial tools that were made for yesterday's economy.

Recognizing that competition often drives innovation, the budget provides nearly \$20 billion for a "race-to-the-top" style incentive program, called the Transportation Leadership Awards, to encourage fundamental reforms in the planning, building and management of transportation system. This program would reward States and regions that implement proven strategies that further the Department's strategic goals, strengthen collaboration among different levels of government, focus on performance and outcomes; and encourage the development of a multimodal transportation system that connects people to opportunities and goods to markets. Examples of best practices that applicants might implement to compete in this program include passage of a primary seatbelt law, use of lifecycle cost analysis, aggressive deployment of operating practices that reduce

need for more costly congestion solutions and implementation of a performance-based funding distribution system.

We will also be leveraging our Federal investment farther than we ever have before through the use of Federal infrastructure loans, which enable state and local governments to significantly leverage Federal dollars when financing transportation infrastructure. The budget provides \$3 billion for the Transportation Infrastructure Finance and Innovation Act (TIFIA) program over six years. The TIFIA program leverages each \$1 of Federal funds into \$10 of credit assistance which supports \$30 in transportation infrastructure investment. Therefore our \$3 billion TIFIA investment is expected to produce up to \$90 billion in transportation infrastructure projects.

In addition, the Budget makes the investments that we need to strengthen America's small towns and rural communities. Increased highway funding will expand access to jobs, education, and health care. Innovative policy solutions will ensure that people can more easily connect with regional and local transit options – and from one mode of transportation to another.

At the same time, our proposal will bolster State and metropolitan planning; award funds to high performing communities; and empower the most capable communities and planning organizations to determine which projects deserve funding.

Modernizing Our Nation's Transportation System through Research and Technology

The FY 2013 budget request will support the success of our economy by ensuring that our transportation investments keep pace with the latest innovations and advancements in technologies.

This generation's success is only possible because past generations felt a responsibility to each other – and to their country's future. Think about the transcontinental railroad that connected our coasts, the interstate highway system that enabled a half-century of prosperity, and the ports through which our businesses move goods to markets around the world. American workers wielded the shovels, forged the iron, laid the tracks, and poured the concrete that brought these things to life. They passed these things on to us – their children and grandchildren. The President's FY 2013 Budget will invest in research and technologies that our Nation's next generations will need to sustain the economy.

For example, the Federal Aviation Administration (FAA) is in the middle of undertaking the largest transformation of air traffic control ever. The FY 2013 President's Budget requests \$15.2 billion to support the FAA current programs in the areas of air traffic controller and safety staffing, research and development, and capital investment – and over \$1 billion of these funds will be used to advance the modernization of our air traffic system through "NextGen" – the next generation of air traffic control technology. Through the use of satellite surveillance, new methods of routing pilots, planes, and landing procedures, NextGen will change how Americans fly.

In addition, we will be focusing our efforts on unmanned aircraft systems (UAS), which will play an increasing role in both federal and civil missions, including homeland

security, National defense, law enforcement, weather monitoring and surveying. Currently, technical and procedural barriers still exist in the interoperation of UAS with manned aircraft in the National Airspace System (NAS). In FY 2013, the Joint Planning and Development Office (JPDO) will lead efforts with the NextGen partners to formulate and develop a National plan that will achieve the integration of UAS into the NAS, and accelerate strategic decision making on UAS implementation issues.

The FY 2013 budget also proposes to elevate the vital role research plays in transportation decision-making by moving the Research and Innovative Technology Administration (RITA) into a new Office of the Assistant Secretary for Research and Technology. This proposal will strengthen research functions across the Department by providing a prominent centralized focus on research and technology, which will improve collaboration and coordination between the Department's Operating Administrations.

We will also promote research into Intelligent Transportation Systems, including Vehicle-to-Vehicle technologies. Vehicle-to-Vehicle (V2V) connectivity provides constant communication between vehicles to warn drivers of the potential risk of a collision. In FY 2013, the Intelligent Transportation Systems (ITS) program will dedicate a total of \$22.4 million to the V2V program, and the corollary programs including human factors research, the implementation of a safety pilot, vehicle connectivity policy research and standards development to further explore and advance technologies that will ultimately reduce the number of collisions and save lives.

Pressing Forward on Safety

Keeping travelers on our transportation systems safe is my top priority. That is why preventing roadway crashes continues to be a major focus at DOT. In FY 2010 highway fatalities were the lowest since 1949 – and yet over 30,000 lives are still lost each year on our Nation's highways.

Our budget proposes a record level of investment in safety. The DOT Surface Transportation Reauthorization proposal will provide \$7.5 billion over six years to the National Highway Traffic Safety Administration to promote seatbelt use, get drunk drivers off the road, and ensure that traffic fatality numbers continue dropping from current historic lows. Within this amount, \$330 million is provided for the Department of Transportation's ongoing campaign against America's distracted driving epidemic. In addition, we will almost double the investment in highway safety infrastructure funding, providing \$17 billion to Federal Highway Administration (FHWA) safety construction programs. The Budget will also dedicate \$4.8 billion to the Federal Motor Carrier Safety Administration (FMCSA) to ensure that commercial truck and bus companies maintain high operational standards, while removing high-risk truck and bus companies and their drivers from operating.

Transit safety is another important priority. Rail transit provides over four billion passenger-trips each year, and safely moves millions of people each day. However, as shown by recent accidents and safety-related incidents, we need to strengthen the existing Federal transit oversight authorities in order to maintain the safe performance of our transit systems. The FY 2013 President's Budget proposes \$45 million to enable the

Federal Transit Administration to oversee rail transit safety across America. Funds will be used to develop, promote, and conduct safety oversight activities for rail transit systems Nationwide.

Finally, our safety focus must also include the transportation of hazardous materials and our network of pipelines. The President's FY 2013 budget requests \$276 million for the Pipeline and Hazardous Materials Safety Administration to help ensure that families, communities, and the environment are unharmed by the transport of chemicals and fuels on which our economy relies. We are proposing a new Pipeline Safety Reform initiative that will expand the oversight of our Nation's pipeline system. Under this initiative, we will hire 120 new inspectors and provide \$20.8 million in grant funding to work collaboratively with the States on the oversight of interstate and intrastate pipeline facilities.

Conclusion

Thank you for the opportunity to appear before you to present the President's FY 2013 budget proposal for the Department of Transportation and our Surface Transportation Reauthorization proposal. Our infrastructure belongs to all of us. It's more than the way we get from one place to another; it's the way we lead our lives and pursue our dreams. The President's plan charts a bold new course for transportation infrastructure investment in the United States over the years to come. I look forward to working with the Congress to put people back to work making a transportation system that's the envy of the world – and an America that's built to last.

I will be happy to respond to your questions.

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