

STATEMENT OF

THE HONORABLE RALPH BECKER MAYOR, SALT LAKE CITY, UTAH

BEFORE THE HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

"SURFACE TRANSPORTATION REAUTHORIZATION BILL: LAYING THE FOUNDATION FOR U.S. ECONOMIC GROWTH AND JOB CREATION PART II"

MARCH 17, 2015 WASHINGTON, DC

Statement of

The Honorable Ralph Becker

Mayor, Salt Lake City, Utah

On behalf of the National League of Cities

Before the House Transportation and Infrastructure Committee,

"Surface Transportation Reauthorization Bill: Laying the Foundation for U.S. Economic Growth and Job Creation Part II"

March 17, 2015

Good morning, Chairman Shuster, Ranking Member DeFazio and Members of the Committee. I am Ralph Becker, Mayor of Salt Lake City, Utah and President of the National League of Cities (NLC). NLC is the nation's largest and most representative membership and advocacy organization for city officials, comprised of more than 19,000 cities, towns, and villages representing more than 218 million Americans. The cities and towns in your districts are very likely members of NLC. I also serve on the Advisory Board of the U.S. Conference of Mayors. I appreciate the opportunity to provide the unique perspective of local governments on surface transportation programs; and to provide specific recommendations for a long-term reauthorization that builds on past success, but is reoriented to meet the future transportation needs of our nation.

I would like to thank the Committee for its work historically and presently on surface transportation. Decisive action on past authorizations ISTEA, TEA-21, SAFETEA-LU and MAP-21 kept America moving. And we know you are hard at work to continue that legacy for the next long-term reauthorization.

As Mayor of Salt Lake City and President of NLC, I've seen what is achievable when partisanship takes a back seat to policy. The visibility of the dialogue between leaders on this Committee and Secretary Foxx at the U.S. Department of Transportation is encouraging. We also have a great partnership with the Obama Administration and the U.S. Department of Transportation, which has ably implemented innovations like the TIGER program, and enacted a vast expansion of the TIFIA loan program in recent years. I had the distinct honor of welcoming the President to our annual Congressional Cities Conference last week where he made clear his commitment to our infrastructure needs. And, of course, we are grateful to have one of our own, former Charlotte Mayor Anthony Foxx, as Secretary of Transportation. We see him on a regular basis, have appreciated his willingness to bring us into the policymaking process, and think he is doing a tremendous job over at DOT.

We are especially pleased that the Administration has proposed a bill, the GROW AMERICA Act, that can help us overcome the limitations of past authorizations. While we are aware that reauthorization is a process that will require close collaboration between the Administration, the House and the Senate, and countless stakeholders, we believe that GROW AMERICA is an excellent point of departure for these discussions, and we thank the President and Secretary Foxx for their initiative. We are hopeful that both chambers of Congress and the Administration can work productively together to craft a legislative solution that avoids the chaos and crisis we would endure if our surface transportation program authorization is permitted to expire.

Among local officials, including the 2,000 delegates who met last week at our conference, no federal priority rates as consistently high as transportation infrastructure. That's because for cities, every transportation project is a partnership — with other local and regional authorities, with the state, with the federal government, and with the private sector. That is certainly the case for our transportation initiatives in Salt Lake City. Local governments have a unique perspective within these partnerships. A period of rapid change in the transportation marketplace is underway, and it is being driven by the shifting demographics and technological advances happening in cities. For example, few would have predicted a generation ago that Salt Lake City would become one of the light-rail capitals in the nation, or that we would bring streetcars back to our city. But our TRAX light rail system, our Sugar House Streetcar and our bikeshare program reflect some of the changes our nation is experiencing in metropolitan areas all across the country.

The transformation of our transportation system in Salt Lake City and throughout our metropolitan area is occurring in varying degrees throughout the U.S. By necessity, local elected leaders are stretching the value of every dollar to invest in small- and large-scale projects of

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practical design. We are making existing corridors and networks more efficient and multimodal; and doing so in ways that increase capacity at less cost to the taxpayer. These locally-driven solutions are offering more travel options to the public, helping shippers and businesses keep goods and products moving, and delivering a bigger boost to investors, developers and our economies overall.

Unfortunately, uncertainty at the federal level is causing discord in the intergovernmental partnership, and driving up the risk and costs associated with transportation finance and innovation. And States are not uniform in their approach to allowing municipalities to raise revenue through taxation to account for that uncertainty. Since 1978, 30 states have enacted formal limitations on taxes, budgets, or outlays on local governments. I know the committee agrees with me that Americans deserve something better than this. Americans deserve a world-class transportation system that improves on the status quo and takes us to a better place.

Time for a Change

As you know, when the Federal Highway Act was signed into law in 1956 it transformed our nation. The system connected the far reaches of our country, created jobs and opened new possibilities for economic development. It also fundamentally altered development within American cities. The highway system was federally planned and coordinated, but it responded to urgent local demands calling for cities and towns to be better connected.

Today, this vision needs an update. Development within cities, and therefore transportation as well, is being altered by new forces. Demographic trends indicate that a growing share of the nation's population will make metropolitan areas their home over the next several decades. A series of rapid technological advancements and changes in how people live are dramatically changing the nature of transportation and mobility in cities and requires that transportation resources have the capability to adapt. Smartphones have enabled users to access transit information in real-time. Application-based platforms such as Uber and Lyft are creating the ondemand market for transportation by innovating and, at times, competing with established

stakeholders in ways they describe as 'disruptive'. They are also part of a broad new "sharing economy" that is impacting markets in unpredictable ways.

Electric cars are becoming more viable and less expensive, with almost every major automaker releasing an electric or hybrid model. And autonomous vehicles — driverless cars— are being developed as we speak, as the Chairman well knows! Google and Audi each predict that their respective autonomous models will be ready for market before 2020. Our transportation systems will need to adapt to this development.

That's one possibility. Another is that public transit and active transportation maintain their steady rise. Transit agencies have reported growth in ridership in 12 of the last 15 quarters. Currently there are 99 transit expansion projects and 23 major system renovations underway throughout the country, in addition to almost 100 other projects in the pipeline at some stage of the planning, finance, and review process. According to U.S. PIRG and Frontier Group, young people aged 16-34 drove 23 percent fewer miles on average in 2009 than in 2001. In that same age group, only 67 percent of Americans have driver's licenses. And according to the 2009 National Travel Survey, one in 12 U.S. households is completely car free.

From 2000-2012, the number of people who primarily bike to work increased 60 percent nationwide. In larger urban areas, the number of bike commuters more than doubled. Bikeshare systems have become commonplace, with 49 American cities, including Salt Lake City, implementing new systems and many more in the planning phases.

I know that the safe and efficient movement of goods and services is also high on the agenda for the next authorizations. Every link in the movement of goods from ports, agricultural centers, and manufacturing plants to their destination should be strong, but the links known as "first and last miles" are behind. The federal government is devoting significant investment to the modernization of U.S. ports to accommodate super-max containerships and ensure our global economic leadership. Investments in the roads immediately outside our ports and leading to the highway system should be made in conjunction with ports modernization, but unfortunately these municipally owned stretches of road are among our most neglected.

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Mr. Chairman and members of the Committee, this is not to express preference for any particular mode – in Salt Lake City, for example, *we need all our modes* functioning at a high-performance level, and I know that is the case in all of our cities across the country. But it is to say that we now have more modes, more choices than ever before. Therefore, our federal, state regional and local transportation investments must reflect this new reality and be sufficiently nimble, flexible and targeted to the right level of government, to respond to an evolving metropolitan landscape. And in Salt Lake City, where 55 per cent of air pollution is from mobile sources, we'll need all the choices we can get.

So however the future of transportation unfolds, we know the Committee will need to balance investments with maintenance. Local governments own and operate 78 percent of the nation's road miles, 43 percent of the nation's federal-aid highway miles, and 50 percent of the nation's bridge inventory. However, over the past 20 years, roughly 80 percent of all funding has consistently been reserved for the highway system. And although the remaining 20 percent is theoretically devoted to transit and other alternative transportation programs, it is not easy to steer funding that passes through state departments of transportation away from auto-oriented projects.

Congress ought to fix this imbalance. The next transportation bill should directly allocate greater funding to local governments and provide more flexibility for local decision makers to choose the best mix of transportation options to fit regional needs. For example, in our state we have established the Mountain Accord to make critical decisions and implement solutions to preserve the Central Wasatch and ensure its long term vitality. Should proposals Mountain Accord makes in the future have a transportation component, we would look forward to working with all federal agencies involved in a collaborative and creative manner to help make our goals a reality.

Putting Cities and Metropolitan Areas at the Center of National Transportation Policy

In some ways, we are fortunate to have a surface transportation policy that requires periodic reauthorization. In theory, it should be easier to pivot funding according to changes in the transportation market. In practice, we know that change can be difficult even when it is as necessary and desirable as it is today.

The National League of Cities is working in partnership with all of the other major local government organizations to build support for the unified set of legislative proposals that I am submitting to the Committee today. The organizations that have authored and endorsed these proposals are the National League of Cities, the U.S. Conference of Mayors, the National Association of Counties, the National Association of Regional Councils, the Association of Metropolitan Planning Organizations, and the National Association of Development Organizations.

The proposal is a course correction, not radical departure from the current authorization. But with four substantive changes, it does provide for a useful and needed reorientation of federal surface transportation policy toward cities and metropolitan areas where the changes in the transportation market are happening.

First, we propose that Congress increase the allocation of Surface Transportation Program funding available for local governments to invest in transportation projects that serve small and large urban areas, counties, and growth area within metropolitan planning areas. We believe a share of 75 percent allocated by population to local areas is reasonable given the significant share of the nation's infrastructure that is locally owned and managed.

Second, our proposal would reauthorize and improve the Transportation Alternatives Program (TAP) by increasing to 100 percent the share of TAP funds allocated by population to local areas, so that the modest funding reserved for this program cannot be diverted to projects at odds with active transportation options.

Third, our proposal would clarify that local Metropolitan Planning Organizations have the authority to select projects for use of Congestion Mitigation and Air Quality Improvement (CMAQ) Program funds in areas over 200,000 in population, recognizing that MPO's are responsible for carrying out the conformity process under the Clean Air Act and should take the lead in determining the project mix that best achieves compliance with air quality requirements. We also recommend that Congress provide obligation authority to CMAQ projects, as is now done for Surface Transportation Program funds for local areas, so that areas in non-compliance with federal air standards have greater certainty and are better able to plan and budget for projects to help achieve compliance.

Fourth, our proposal calls for a restoration of funding for on-system, Non-National Highway System Bridges that was lost under consolidation in the previous authorization. In the past, these bridges were eligible for funding under the Bridge Program, which was eliminated under MAP-21. Funds under the Bridge Program were mostly reallocated to the National Highway Performance Program which, unfortunately, excludes these bridges from eligibility. We urge you to address these important bridge needs in the next authorization.

Conclusion

On behalf of NLC, I want to thank the Committee for inviting us to participate in this reauthorization process by giving you our views today. As important, I would like to offer the ongoing assistance of the elected and appointed leaders who are our members and our staff as you pursue the long-term, well-funded transportation reauthorization we all seek and for which we all strive. Let us know how we can help.

Thank you again. I look forward to any questions you might have.







CITIES, TOWNS and COMMON GROUND

The common ground for a long-term transportation bill



EXECUTIVE SUMMARY

Metropolitan regions hold the key to our national economic vitality by providing more centralized opportunities for people to live, work, and reinvest their income in goods and services. The transportation networks of cities and towns are central to all of that—they are the means by which we move goods, reach jobs, connect with family and explore nature. They get people to work, freight to ports, and goods to market. Furthermore, all it takes is one falter, one accident, one deficiency, to remind us of how difficult life is without working infrastructure. Effectively moving goods and people within metropolitan centers, throughout the country and around the world requires safe, seamless and modern infrastructure that is efficient, multimodal, dynamic and environmentally sustainable.

Today, shifts in economics, demographics and technology are dramatically changing the nature of transportation and mobility in cities. Local elected leaders are therefore tasked with meeting current needs while also planning for the future needs of their communities. However, a lack of long-term certainty can be crippling to projects that often take many years to move through planning, design, financing and construction. Federal transportation policy requires a new, long-term vision that responds to these changing needs and supports America's global economic leadership.

NLC CALLS ON CONGRESS TO AUTHORIZE A NEW, LONG-TERM FEDERAL SURFACE TRANSPORTATION BILL THAT:

- Authorizes at least six years of transportation programs and funding;
- Enables more local control;
- Supports innovative programs and finance and;
- Helps fix the Highway Trust Fund.

About the National League of Cities

The National League of Cities (NLC) is the nation's leading advocacy organization devoted to strengthening and promoting cities as centers of opportunity, leadership and governance. Through its membership and partnerships with state municipal leagues, NLC serves as a resource and advocate for more than 19,000 cities and towns and more than 218 million Americans. NLC's Center for City Solutions and Applied Research provides research and analysis on key topics and trends important to cities, creative solutions to improve the quality of life in communities, inspiration and ideas for local officials to use in tackling tough issues and opportunities for city leaders to connect with peers, share experiences and learn about innovative approaches in cities.



Photo credit: US Department of Transportation, 2013.

The country has basically been riding on cruise control with our system for quite a while and the highway system was substantially completed in 1992, the expectation was, we've got that done, we're ready to move on to the next thing. The air traffic control system has basically been the same since WWII. Meanwhile, the rate of change in terms of where people are moving, how people are choosing to live more closely into metro areas as opposed to rural areas, which is different than it was 40 years ago, all of these changes are happening, and our system is basically static, and the debates we have about funding are really debates about trying to get to last year's funding.

-U.S. DEPARTMENT OF TRANSPORTATION SECRETARY ANTHONY FOXX

AMERICANS DESERVE A WORLD-CLASS TRANSPORTATION SYSTEM.

The Federal Highway Act, signed into law by President Eisenhower in 1956, transformed our nation. The system connected the far reaches of our country, created jobs and opened new possibilities for economic development. It also fundamentally reshaped American cities. New development patterns were conceived to make room for the vehicles that would propel the economy for decades to come. The highway system was federally planned and coordinated, but it responded to urgent local demands calling for cities and towns to be better connected.

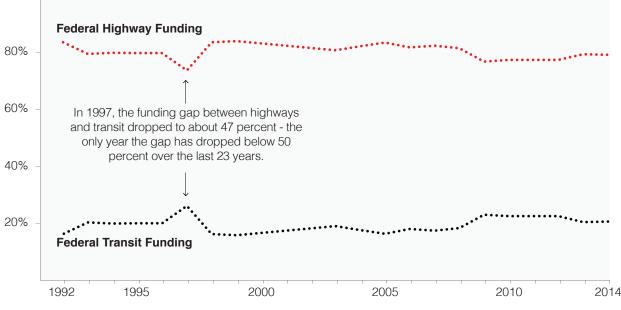
Today, this vision has long since run its course. The original Interstate Highway System of roughly 43,000 miles was completed in 1992 and has since ballooned to include more than 160,000 miles of roadway in the modern National Highway System. Meanwhile, the mobility needs of cities, towns and the citizens who inhabit them are very different. A series of rapid technological advancements are dramatically changing the nature of transportation and mobility in cities. The most urgent demand is for more options to move people within America's resurgent cities, not for more highway miles between them. Federal transportation policy requires a new vision that responds to these changing needs and supports America's global economic leadership.

AMERICA'S MOBILITY DEMANDS ARE RAPIDLY CHANGING

Together with a series of rapid technological advancements, recent demographic trends are changing the nature of transportation and mobility in cities.

Federal Transportation funding is stuck in neutral...

Since 1992, eight out of ten dollars appropriated to transportation funding have gone towards highways. The share of funding going to highways has not dropped below the 73 percent threshold.



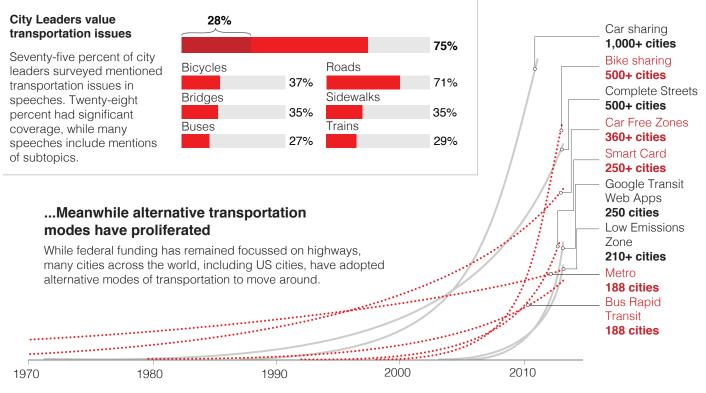
American Public Transportation Association, 1998, 2005, 2013, 2014, Congressional Research Service, 2012; US Department of Transportation, 1998, 2006; National Transportation Library, 1991.

Smartphones have enabled users to access transit information and transportation providers in real-time. The increase in transit information seems to translate directly into consumer demand, as transit agencies have reported growth in ridership in 12 of the last 15 quarters.

Application-based platforms such as Uber, Lyft and Bridj have reinforced these on-demand expectations by offering new services and, at times, competing with more traditional services in 'disruptive' ways. In addition to shaking things up, these new companies have contributed to the growth of the transportation marketplace and the emergence of the 'on-demand economy' or the 'sharing economy.' In a matter of five years, the word "Uber" has morphed from a small start-up company to a verb, rivaling Kleenex and Google as brands that have entered the common lexicon.

Electric cars have also become a much more viable transportation option in the last few years, with almost every major automaker releasing an electric or hybrid model and thus threatening to further erode fuel tax revenue. Autonomous vehicles are also poised to enter the transportation discussion. What started out as excitement over Google's self-driving car experiments catalyzed into a full-fledged automobile trend that will soon become a common alternative for consumers in terms of market availability. Google and Audi are each predicting that their respective autonomous models will be ready for market before 2020.

Just as transportation options are changing, the way citizens prefer to move within and between cities is changing. As mentioned above, local demand for transit is growing dramatically. Currently there are 99 transit expansion projects and 23 major system renovations underway throughout the country, in addition to 35 new projects in the process of securing funding, 10 projects undergoing review through the federal planning process, and 51 projects planned and under review by local authorities. According to a report released by U.S. PIRG and Frontier Group, young people aged 16-34 drove 23 percent fewer miles on average in 2009 than



Data adapted from EMBARQ, World Resources Institute, 2015.

in 2001. In that same age group, only 67 percent of Americans have driver's licenses. According to the 2009 National Travel Survey, one in 12 U.S. households is completely car free.

Over the last several years, Americans of all demographic groups have embraced new modes of transportation. Active transportation has seen a significant surge in the U.S. From 2000-2012, the number of people who primarily bike to work increased 60 percent nationwide. In larger urban areas, the number of bike commuters more than doubled. Bikeshare systems have become commonplace, with 49 American cities implementing new systems and many more in the planning phases.

NLC's research further demonstrates how these changes are being felt by America's local leaders. It has been well-documented that America's bridges are in poor shape, and that 66,749 of the nation's bridges have been deemed 'structurally deficient' by the American Society of Civil Engineers. But when local elected officials talk about transportation issues in their own community, they are just as likely to discuss the condition of sidewalks and bike infrastructure, and almost as likely to mention buses and other transit projects.

FEDERAL PROGRAMS ARE STUCK IN NEUTRAL

In stark contrast to the changes in technology and preference, federal policy has remained nearly inert.

Program names, legislative titles and eligibility requirements have shuffled over time, but the broader transportation vision is best illustrated by the ways in which Congress chooses to allocate funds – a process that has changed very little over the past 20 years. Roughly 80 percent of all funding has consistently been reserved for the highway system. It is commonly believed that the remaining 20 percent is devoted to transit and other alternative transportation programs – but in reality, this funding is flexible and states often reserve some portion for auto-oriented projects.

As a result, local transit agencies must accommodate increasing ridership with declining funds. America's public transit infrastructure plays a vital role in our economy, connecting millions of people with jobs, medical facilities, schools, shopping and recreation. This infrastructure is essential to the one-third of Americans who do not drive cars. Due to the rise of urban cores, Americans with access to transit have increased their ridership by 9.1 percent in the past decade, and that upward trend is expected to continue. Although investment in transit has also increased, deficient and deteriorating transit systems cost the U.S. economy \$90 billion in 2010, as many transit agencies are struggling to maintain aging and obsolete fleets and facilities amid an economic downturn that has reduced their funding, forcing service cuts and fare increases. The funding itself is also imperiled under the status quo. The federal fuel tax rate, which supports our nation's Highway Trust Fund, has not been raised since 1993. Meanwhile, reductions in per capita vehicle miles traveled, coupled with increased fuel efficiency standards, have resulted in net revenue losses for the Fund. Currently, the HTF is suffering from a deficit of \$170 billon, and it has been kept afloat with over \$50 billion in transfers from the general fund.

The lack of both a clear vision for the future and secure funding are only compounded by the fact that the existing infrastructure is in poor condition. America's aging and neglected infrastructure received a grade of D+ in the American Society of Civil Engineer's 2013 report card. For example, one in nine of the nation's bridges is rated as structurally deficient, and more than two hundred million trips are taken daily across deficient bridges in the nation's 102 largest metropolitan regions. In total, the average age of the nation's 607,380 bridges is 42 years. Overall, ASCE estimated that \$323 billion in infrastructure investment is needed just to get America's existing roads, bridges and transit up to par. The 'state of good repair' standard set by ASCE may be ambitiously high – but even if we assume that the true cost of modernizing our 21st century transportation infrastructure is half of that which is expected, our funding lags woefully behind.

LOCAL ROLE IN TRANSPORTATION

Metropolitan regions hold the key to our national economic vitality by providing more centralized opportunities for people to live, work, and reinvest their income in goods and services. Effectively moving goods and people within these centers, throughout the country, and around the world requires a safe, seamless and modern infrastructure that is efficient, multimodal, dynamic and environmentally sustainable.

Federal investment in infrastructure through comprehensive and fully-funded transportation bills helps these metropolitan regions, and allows cities to invest in a transportation system that meets current needs while also preparing for the future.



The transit authority of Grand Rapids, Mich., effectively rallied the region around the Interurban Transit Partnership BRT project – known locally as the Silver Line. Mayor Jack Poll of Wyoming, Mich., took pride in announcing this regional engagement as well as ongoing construction of a segment that will connect the southern portion of Wyoming with downtown Grand Rapids. In addition to connecting people to job opportunities, this new transit project has a great deal of potential for spurring economic activity, and developers are beginning to purchase and watch properties along the route.



Drive if you want or if you must - but let's not make driving the best or easiest way to get everywhere. I see a future for Salt Lake City around mobility, where 1/3 of the people get around using vehicles, 1/3 of the people get around using transit, and 1/3 of the people either walk or bike. That is a truly balanced transportation system.

- MAYOR RALPH BECKER

However, a lack of long-term certainty can be crippling to projects that often take many years to move through planning, design, financing and construction. It is challenging enough for cities to plan and construct transportation infrastructure when the federal transportation bill only applies to the next two years. Additionally, many states are showing themselves to be out of step with the transportation priorities of cities and towns, creating uncertainty and rejecting federal support for local projects.

CITIES CALL ON FEDERAL LEADERS TO MOVE AMERICA FORWARD

The National League of Cities urges Congress to authorize a new, long-term federal surface transportation program that recognizes the central role of transportation in metropolitan and regional economies and includes local voices in planning and project selection.

With a strong federal partnership, cities can continue transportation and infrastructure investments that ensure everyone in our communities has access to education, training and employment – and thus the opportunity to contribute effectively to the national economy. The overall transportation system must be made more efficient as well, with upgrades to older systems and the addition of new modes such as light rail and bus rapid transit. Finally, the program must provide cities a greater role in the decision-making process regarding transportation projects, so that metropolitan regions may receive the recognition they deserve as essential components of the nation's economic wellbeing.

NLC CALLS ON CONGRESS TO AUTHORIZE A NEW, LONG-TERM FEDERAL SURFACE TRANSPORTATION BILL THAT:

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Go Local: Invest in Local Transportation Priorities

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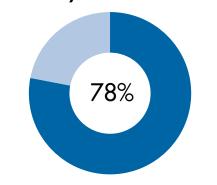
Local governments own and operate 78 percent of the nation's road miles, 43 percent of the nation's federalaid highway miles, and 50 percent of the nation's bridge inventory. Local elected officials should have the authority to direct available transportation resources to projects serving their communities and regions.

However, local governments and their metropolitan and regional planning organizations directly receive less than 15 percent of current federal

transportation funding. The last major transportation bill, the Moving Ahead for Progress in the 21st Century Act (MAP-21), consolidated programs important to local governments, reduced funding available for locally owned highways and bridges by 30 percent, and eliminated almost all discretionary programs for transit.

Congress can fix this imbalance. A new transportation bill should directly allocate greater funding to cities and metropolitan organizations and provide more flexibility to choose the best mix of transportation options to fit regional needs.

Percentage of US Road Miles Owned by Local Governments



Source: U.S. Department of Transportation

Cities and towns are embracing innovation to create new opportunities for struggling commercial districts and neighborhoods in distress. Programs like the Transportation Alternatives Program (TAP) and Transportation Infrastructure Finance and Innovation Act (TIFIA) financing are tools that enable innovation.

A new transportation bill must be longterm. Crisis-driven legislation and shortterm extensions create insurmountable obstacles for transportation and infrastructure projects. The next bill

should authorize transportation programs and funding for at least six years to restore certainty and stability to the transportation planning process at the local and regional level.

Finally, the next transportation bill should be built on a stable foundation. The Highway Trust Fund, which finances the majority of transportation programs, has been unable to maintain sufficient revenue to support the nation's transportation needs. It is time for Congress to find a long-term solution that may, among other means, include an increase in the federal gasoline tax.

For more information, visit www.nlc.org/transportation or contact Mike Wallace at 202.626.3025 or wallace@nlc.org.