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STATEMENT OF
THE HONORABLE JAMES L. OBERSTAR
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THE SAFE, ACCOUNTABLE, FLEXIBLE, EFFICIENT
TRANSPORTATION EQUITY ACT: A LEGACY FOR USERS (SAFETEA-LU)
August 10, 2005

Passage of the Conference Report and the President's signing today of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) are shining examples of Congress at its best. It shows what can be accomplished by working together across party lines, between the House and Senate, and with the Executive Branch to address fundamental needs of our Nation's society and economy.

Today marks a continuation of the long tradition of our Committee on Transportation and Infrastructure, that regardless of party majority, we resolve differences on policy to produce a legislative result that serves our broad national interests. Beginning in 1956, when Congress on a bipartisan basis enacted legislation to finance construction of the Interstate highway system through a Highway Trust Fund, and continuing with each subsequent enactment, we have come together to provide critical infrastructure investment funding for our Nation's surface transportation systems. In 1991, with passage of the landmark Intermodal Surface Transportation Efficiency Act (ISTEA), we shifted the focus from simply moving vehicles to providing communities with transportation choices. The Transportation Equity Act for the 21st Century (TEA 21) built upon the framework of ISTEA and significantly increased investment (43 percent) in our highway, transit, and highway safety programs.

Each time that we've advanced the causes of reducing congestion, improving highway safety, expanding transit options, and improving the quality of the Nation's highway system, we also created millions of jobs. TEA 21 quickly created these jobs because state Departments of Transportation (DOTs) had portfolios of investment plans that could move quickly to bid, the private construction sector was prepared for the influx of work, and the building trades had the worker training programs in place to ensure that workers were available to take advantage of these new opportunities. As a result, both ISTEA and TEA 21 carry a legacy of creating more than one million new family-wage construction jobs.

As Congress and the White House have debated the appropriate levels of investment for our highway and transit infrastructure for the past three years, and passed 12 extension acts to continue the programs while the debate continued, the states, the construction industry, and its workers became understandably uncertain about the Federal government's ability to restore the stable, long-term infrastructure investment framework of ISTEA and TEA 21. Consequently, infrastructure investment slowed. According to the American Association of State Highway and Transportation Officials (AASHTO), states delayed more than \$2.1 billion of highway and transit projects and caused 90,000 good-paying jobs to be lost because of the uncertainty caused by short-term extension acts. In certain regions of the country, the sand and gravel industries have suffered significant layoffs and civil engineers faced a similar downturn. For the past three years, on average, more than 800,000 construction workers have been unable to find work.

As SAFETEA-LU is signed today, the economy remains hungry for these family-wage construction jobs. For the past several years, AASHTO reports that state DOTs have had more than 2,700 projects, totaling \$17.1 billion, which are ready to go to construction within 90 days if additional funding were made available. That funding is now available. State DOTs must move projects from the pipeline to bid, and the laid-off construction workers can be put back to work in time for Thanksgiving.

One statistic underscores the role of transportation in our national economic picture – the cost of logistics. In 1980, 16 percent of the Nation's gross domestic product (GDP) was dedicated to logistics, moving people and goods. In the subsequent 25 years, we have reduced that percentage to 8.6 percent through improved efficiencies in transportation systems and productivity gains in inventory practices, albeit made possible primarily by transportation advances that allow just-in-time inventory management. By reducing the portion of the GDP that is dedicated to logistics, this 7.4 percent efficiency gain in our \$11.7 trillion economy results in savings of more than \$850 million per year.

Although the increased funding of SAFETEA-LU (\$286.5 billion) is not all that we should be doing, it is vastly better than where we were. If properly and promptly implemented, SAFETEA-LU will unlock congestion, make surface transportation safer, give people transportation choices, create jobs, stimulate the local economy, and further reduce the cost of logistics and keep America competitive in today's global economy. I look forward to working with my colleagues and the Administration as we continue to build upon the legacy of ISTEA and keep America moving forward.