

STATEMENT OF
THE HONORABLE JAMES L. OBERSTAR
H.R. 2847, THE “HIRING INCENTIVES TO RESTORE EMPLOYMENT (HIRE) ACT”
MARCH 4, 2010

Madam Speaker, I rise today in strong support of the House amendment to H.R. 2847, the “Hiring Incentives to Restore Employment Act”.

Over the past year, we have had enormous success with the highway and transit infrastructure investments provided under the Recovery Act:

- By tomorrow, the Department of Transportation will have approved more than 13,000 projects for investing **every** highway and transit formula dollar provided under the Recovery Act (\$34.2 billion);
- 13,461 highway and transit projects are out to bid (\$27.9 billion – 81%);
- 11,559 projects are under contract (\$24.4 billion – 71%);
- 10,095 projects are underway (\$22.1 billion – 64%);
- 3,703 projects are completed (\$3.3 billion – 10%); and
- **303,787 direct, on-project jobs and a total of 994,000 jobs in total (direct, indirect, induced jobs) have been created or sustained.**

As the Recovery Act highway investments wind down this year, the HIRE Act will provide States with the certainty and necessary investment to sustain highway construction into next year.

The HIRE Act extends the surface transportation programs – highway, public transit, and highway and motor carrier safety programs – for 15 months from October 1, 2009, to December 31, 2010.

The bill provides **\$63.5 billion** for FY 2010 and **\$77 billion** for these programs over the 15-month period.

This bill provides an enormous increase -- **\$21 billion** – over the current funding levels under the Continuing Resolution (CR).

Because of the arcane nature of budget baselines for these programs, the CR is currently funding the programs at \$1 billion per month **less** than last year’s level.

In addition, this bill restores the \$8.7 billion rescission that occurred on September 30, 2009, as required in SAFETEA-LU at the insistence of the Bush administration and with the concurrence of my Republican colleagues.

Providing 15 months of contract authority for these programs will allow States, metropolitan planning organizations, and transit agencies to have the necessary resources to begin large projects and plan beyond the month-to-month horizon of continuous extensions.

The bill also ensures the solvency of the Highway Trust Fund through FY 2011. The bill:

- restores the \$19.5 billion of foregone interest (since 1998);

- allows the Highway Trust Fund to collect interest like all other trust funds; and
- restructures fuel tax exemptions to be supported by the General Fund, not the Trust Fund.

However, last week, I remained seriously concerned about two issues in the Senate-passed surface transportation extension bill.

First, the HIRE Act, as passed by the Senate, provides major highway discretionary program funding to a small, select group of States – with four States receiving 58 percent of the funding and 22 States receiving nothing. This provision would create a permanent windfall for these four States, and would unfairly skew the highway formulas.

Last week, I was successful in finding a compromise with my good friend Senate Majority Leader Reid and Speaker Pelosi that would allow the \$932 million in discretionary highway funds available under the Projects of National and Regional Significance (PNRS) and the National Corridor Infrastructure Improvement (Corridor) programs to be provided to all States, rather than just the 29 States that had PNRS and Corridor projects under SAFETEA-LU. The funds will be distributed based on each State's share of the fiscal year 2009 highway apportioned funds.

I was also concerned that the HIRE Act would distribute additional highway formula funds, which will be made available in lieu of further earmarked funding, through only six of 13 current State highway formula programs.

In doing so, it designates seven programs – the Appalachian Development Highway System, Rail-Highway Grade Crossing, Equity Bonus, Recreational Trails, Safe Routes to School, Coordinated Border Infrastructure, and Metropolitan Planning programs – as “second tier” programs.

The Senate provision would deny these seven programs the opportunity to receive additional funding during the extension period and weakens their standing during the ongoing authorization process.

I have proposed that any legislation extending these programs follow the approach taken in the 12 surface transportation extension acts enacted between 2003 and 2005, and distribute these additional funds through all 13 current State highway formula programs.

While the bill before us today does not directly address my concerns, we have reached an agreement with the Senate to include these changes in a Jobs bill passed by the Senate in the next few weeks. I have received a firm commitment, in writing, from Leader Reid that these corrective fixes will be adopted in the very near future.

Although my preference would be to amend this legislation to reflect these compromises today, any further delays in enacting a surface transportation extension are unacceptable. We cannot allow one Senator – as we saw earlier this week – to shut down these vital infrastructure investment programs, and I am confident that Leader Reid will act quickly to make the policy changes that the Senate has agreed to.

I thank Speaker Pelosi and Leader Reid for their willingness to work with me to address these concerns, and to stand up for a transportation extension that addresses the needs of all States.

The 15-month extension included in this legislation provides Congress with the opportunity to work toward passage of a long-term surface transportation authorization bill this year.

This must be our primary goal, and I hope that passage of this extension and the corrective legislation will allow us the chance to redirect our focus to enactment of a transformational surface transportation authorization.

Finally, Madam Speaker, I urge my colleagues on the other side of the aisle to support this legislation. When we were in the minority, we supported surface transportation extensions of current law a dozen times from 2003 to 2005 – 5 bills by unanimous consent and 7 bills passed under suspension of the Rules (4 bills passed by voice vote).

I urge you to work with us to move our transportation system forward and join me in supporting H.R. 2847, the HIRE Act.

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