Floor Statement
Rep. James L. Oberstar (Minn.),
Chairman of the Committee on Transportation and Infrastructure:

The HIRE Act earmarked funding under two major highway discretionary programs – the Project of National and Regional Significance program and the National Corridor Infrastructure Improvement program – for a small, select group of states. Under this distribution, four states received 58 percent of the funding and 21 states received nothing.

The treatment of these programs in the HIRE Act skewed the highway formula, significantly benefitting these four states by providing them with a permanent windfall due to these earmarks.

The provisions in H.R. 4213 revise the distribution of PNRS and National Corridor program funding so that every state receives a fair share of the funds made available under these programs. Specifically, H.R. 4213 provides each state with a share of the PNRS and National Corridor funds equal to the greater of that which the state received under the HIRE Act or under H.R. 4213, the American Jobs Act.

Thirty-seven States receive more highway dollars based on the modification to the distribution of highway formula funding in H.R. 4213. This new highway funding translates into thousands of jobs across these states – jobs that are critically important to a construction sector currently suffering from 21.8 percent unemployment.

Under the Recovery Act, we have clearly seen states demonstrate their ability to put highway and transit dollars to work to quickly create and sustain jobs – creating and sustaining 322,000 direct, on-project jobs in the first year of the Recovery Act and 49,000 direct jobs last month alone. In total, these highway and transit funds have created and sustained more than one million jobs over the past year.

In December, the American Association of State Highway and Transportation Officials reported to our Committee that States currently have a backlog of 7,497 ready-to-go highway and bridge projects totaling $47.3 billion.

Given the States' extraordinary performance under the Recovery Act and the overwhelming highway investment needs, we can expect that the highway funding provided under H.R. 4213 will result in hundreds of projects under contract – with shovels in the ground – within 90 days.

<u>Based upon Federal Highway Administration estimates, the $521 million of additional funding provided under H.R. 4213 will create more than 18,000 family-wage jobs.</u>

The HIRE Act also distributed "additional" formula funding (provided in lieu of additional Congressionally-directed projects) among only six of 13 current state highway formula programs.

In doing so, it effectively designated 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, providing them less funding in FY 2010 and FY 2011 and weakening their standing during the ongoing authorization process.

The highway provisions in H.R. 4213 appropriately recognize the standing of **all** of the current highway formula programs: distributing “additional” formula funding through **all** current State highway formula programs, rather than just six. This modification is critically important to the Appalachian Development Highway System, Metropolitan Planning, and Safe Routes to School programs.

Today marks the third time that the House will vote on language to revise the HIRE Act’s highway funding distribution, which this chamber has twice passed language to amend. With the rock-solid commitment of the House Democratic Leadership and Senate Majority Leader Reid, I look forward to enacting the highway formula modifications included in H.R. 4213 and providing every State with a fair share of the funds distributed under these programs as they begin to move forward with their summer highway construction seasons.

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