RECOVERY ACT: 160-DAY PROGRESS REPORT FOR TRANSPORTATION AND INFRASTRUCTURE PROGRAMS

(111–56)

HEARING

BEFORE THE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
HOUSE OF REPRESENTATIVES

ONE HUNDRED ELEVENTH CONGRESS

FIRST SESSION

JULY 31, 2009

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July 30, 2009

SUMMARY OF SUBJECT MATTER

TO: Members of the Committee on Transportation and Infrastructure

FROM: Committee on Transportation and Infrastructure Staff

SUBJECT: Hearing on "Recovery Act: 160-Day Progress Report for Transportation and Infrastructure Programs"

PURPOSE OF HEARING

The Committee on Transportation and Infrastructure will meet on Friday, July 31, 2009, at 10:00 a.m., in room 2167 of the Rayburn House Office Building to examine progress to date on implementing the American Recovery and Reinvestment Act (P.L. 111-5) (Recovery Act). The hearing will primarily address implementation efforts in non-transportation programs under the Committee's jurisdiction, including environmental, inland waterways, and public buildings infrastructure. The hearing will also address implementation of the highway program.

BACKGROUND

State of the Economy

According to the Bureau of Labor Statistics (BLS), as of June 2009,[1] there were 14.7 million unemployed persons in the United States, for all sectors of the economy combined. In addition, when part-time and discouraged workers who want full-time jobs are included, the number of unemployed/under-employed workers increases to 25.9 million.

The unemployment rate in June 2009 was 9.5 percent – the highest it has been in 26 years. When part-time and discouraged workers who want full-time jobs are included, the unemployment rate was 16.5 percent.

[1] The latest month for which data is available.

The National Bureau of Economic Research has determined that the current recession began in December 2007. At 19 months and counting, the current recession has lasted longer than any recession since the Great Depression. From the start of the recession in December 2007 through June 2009, the number of unemployed persons has increased by 7.2 million.

The construction sector has been particularly hard-hit. It has lost 1,283,000 jobs since the recession began in December 2007. The unemployment rate in construction was 17.4 percent in June 2009 – up 9.2 points since June 2008. This is the highest unemployment rate of any industrial sector. As of June 2009, there were 1,601,000 unemployed construction workers in the nation – that is 816,000 more unemployed construction workers than in June 2008, and 1,001,000 more than in June 2007.

Within the overall construction sector, seasonally adjusted employment in heavy and civil engineering construction[2] has fallen by 144,700 since the recession began in December 2007. Heavy and civil engineering construction employment is now the lowest it has been since April 1998.

Moreover, after workers have lost their jobs, they have had more trouble finding new jobs. As of June 2009, the average length of unemployment was 24.5 weeks, compared to 16.5 weeks in December 2007 at the start of the recession. The number of workers who have been unemployed for longer than six months was 4.4 million, compared to 1.3 million in December 2007. One-half of the unemployed have been out of work for more than 17.9 weeks, and more than one in four has been out of work for more than six months.

With this urgent need for jobs as the backdrop, Federal agencies along with State and local governments are working together to implement the Recovery Act, to create and sustain family-wage jobs now and, at the same time, address the nation's long-term infrastructure investment needs.

[2] This term includes highway, street, and bridge construction; utility system construction; land subdivision construction; and other heavy and civil engineering construction.

Recovery Act

On February 17, 2009, the Recovery Act was signed into law. The Act provides $27.5 billion for highways and bridges. The Act also provides approximately $16 billion of non-transportation investment for programs within the jurisdiction of the Committee on Transportation and Infrastructure, including:

- $5.26 billion for environmental infrastructure;
- $4.6 billion for the U.S. Army Corps of Engineers;
- $5.575 billion for Federal buildings;
- $150 million for the Economic Development Administration;
- $210 million for emergency management; and
- $240 million for the U.S. Coast Guard.

I. Implementation Highlights of Non-Transportation and Highway Investment

Environmental Protection Agency

- Of the $4 billion in Recovery Act funds provided for the Clean Water State Revolving Fund, the Environmental Protection Agency (EPA) has awarded $3.35 billion in capitalization grants to States, representing approximately 83 percent of the total apportionment, as of July 28, 2009. Nineteen States have put out to bid 195 projects totaling $512 million, as of June 30, 2009. These funds are assisting in the construction, rehabilitation, and modernization of the nation's wastewater infrastructure.

- Since April 2009, EPA has issued four guidance documents to further clarify the implementation of the Buy American provisions the Recovery Act, and to provide nationwide waivers of its application to certain categories of projects. For more information, please see pages 30-31 of the attached report.

- On April 15, 2009, EPA announced its distribution of $600 million in new Superfund cleanup funding through the Recovery Act. EPA is using these funds to initiate new construction or accelerate ongoing cleanup activities at Superfund sites, boosting local economies and protecting public health and the environment. Of the $600 million apportioned for Superfund cleanup, EPA has moved $409 million into existing contracts for 33 projects in 22 States, as of July 15, 2009. This represents 68 percent of the total apportionment for Superfund cleanup.

- As of July 15, 2009, of the $100 million provided to the Brownfields program, EPA has awarded grants or moved funds into existing contracts or grants for 21 projects (totaling $11 million).

General Services Administration

- On March 31, 2009, the General Services Administration (GSA) released a plan detailing how it will spend the $5.55 billion provided to GSA, including $4.5 billion to convert Federal buildings to high-performance green buildings, $750 million for repair, alteration, and construction of Federal buildings and U.S. courthouses (of which $450 million is for a new headquarters for the Department of Homeland Security), and $300 million for border stations and land ports of entry.

- GSA selected the best projects for accomplishing the goals of the Recovery Act based on two over-arching criteria: the ability of the project to put people back to work quickly; and transforming Federal buildings into high-performance green buildings.

- As of July 10, 2009, GSA has awarded contracts worth $325 million in Federal Buildings Recovery Act funds for 85 projects. GSA has announced plans to use Recovery Act funds for 508 projects.

U.S. Corps of Engineers

- On April 28, 2009, the U.S. Corps of Engineers (Corps) posted its lists of Civil Works work packages funded by the Recovery Act. The Corps selected and Office of Management and Budget (OMB) approved approximately 178 Construction work packages, 892 Operation and Maintenance work packages, 45 Mississippi River and Tributaries work packages, nine Formerly Utilized Remedial Action Program work packages, and 67 Investigations studies and work packages. Selected projects are geographically distributed across the United States to provide the nation with inland and coastal navigation, environmental, flood risk management, hydropower, and recreation improvements.

- As of July 1, 2009, the Corps has committed funds for 72 projects (totaling $226 million) for its Construction program, 427 projects (totaling $231 million) for its Operation and Maintenance program, 29 projects (totaling $34 million) for its Mississippi River and Tributaries program, three projects (totaling $40 million) for its Formerly Utilized Remedial Action Program, 20 projects (totaling $2.8 million) for its Investigations program, and three projects (totaling $1.1 million) for its Regulatory Program.

- In total, as of July 17, 2009, the Corps has committed $693.7 million in funds, representing 15 percent of the total amount of Recovery Act funds provided to the Corps. Small businesses account for 73 percent of the total number of contract actions and 35 percent of the total dollar amount obligated.

Federal Emergency Management Agency

- On May 29, 2009, the Federal Emergency Management Agency (FEMA) released guidance for the $210 million Firefighter Assistance Grants program. The program is aimed at creating and saving jobs in recession-hit areas and achieving firefighter safety and improved response capability and capacity based on need. Non-Federal Fire Departments and State and local governments that fund/operate fire departments are eligible for these grants. Program guidance limits funds for each project within a grant application to $5 million.

- Applications for grants were due to FEMA by July 10, 2009. FEMA expects to award between 60 and 80 grants and will make these awards in September through December 2009.

U.S. Coast Guard

- Of the $98 million provided for the Acquisition, Construction, and Improvements program, the U.S. Coast Guard has entered a binding agreement to spend $459,000 for the 378-foot High Endurance Cutter project, as of July 17, 2009. The Coast Guard has also entered a binding agreement to spend $7 million for its Sycamore Cordova Housing project in Cordova, Alaska.

- The Recovery Act provided $142 million for the Alteration of Bridges program. The Coast Guard has completed bid documents, advertised bid solicitations, and held pre-bid meetings for three bridge alteration projects: the Mobile Bridge project over the Mobile River in Hurricane, Alabama; the Burlington Bridge project over the Mississippi River, Iowa; and the Elgin, Joliet, and Eastern Railway Co. Bridge project over the Illinois Waterway in Divine, Illinois.

Federal Highway Administration

- Of the $27.5 billion provided for highways and bridges, all 50 States, four Territories, and the District of Columbia have submitted to and received approval from the Federal Highway Administration (FHWA) for 5,808 projects totaling $17 billion, 62 percent of the Recovery Act highway funds, as of July 17, 2009.[3]

- All States met the Recovery Act requirement that at least one-half of all highway funds apportioned to States be obligated within 120 days (June 30, 2009) of the date of apportionment.

For additional information, see the attached report entitled *The American Recovery and Reinvestment Act of 2009, Transportation and Infrastructure Provisions Implementation Status as of July 17, 2009.*

[3] This project total includes Federal-aid Highway formula investments and roads on Federal and Indian lands (total allocation: $27.4 billion). This total does not include the Ferry Boat capital grants program, On-the-Job training, and Disadvantaged Business Enterprise bonding assistance (total allocation: $100 million).

II. Additional Transparency and Accountability Information

Project Data

The Committee requested that Federal agencies implementing programs receiving Recovery Act funds under the Committee's jurisdiction submit a specific list of announced Recovery Act projects, as of July 17, 2009.

Of the $64.1 billion provided for both transportation and non-transportation programs under the Recovery Act, Federal agencies, States, Metropolitan Planning Organizations, and public transit agencies have announced 9,356 projects, totaling $30.5 billion.

To download a complete list of projects, please visit the Transparency and Accountability section of the Committee's website at: http://transportation.house.gov/, and click on "Transparency and Accountability Information by Project (Data Reported as of July 17, 2009)". The list may be searched by State, Congressional District, Federal agency, or program.

Highway and Transit Data

According to the latest submissions by States, Metropolitan Planning Organizations, and public transit agencies, as of June 30, 2009:

- 5,079 highway and transit projects in all 50 States, four Territories, and the District of Columbia have been put out to bid, totaling $16.7 billion. This represents 49 percent of the total available formula funds for highway and transit projects;

- 50 States, one Territory, and the District of Columbia have signed contracts for 3,553 highway and transit projects totaling $10.6 billion, representing 31 percent of the total available formula funds;

- Work has begun on 2,522 projects in 50 States, one Territory, and the District of Columbia totaling $7.7 billion, an increase of 75 percent in just the 30 days since the previous reporting deadline;

- These 2,522 highway and transit projects have created or sustained more than 48,000 direct, on-project jobs. According to DOT, "an example of a direct job is a worker employed to construct a facility or to maintain equipment on-site whose time is charged directly to the project;"[4] and

- These projects have also created or sustained tens of thousands of indirect and induced jobs, including jobs at companies that produce construction materials such as steel, and manufacture equipment including new transit buses.

[4] DOT TIGER, "Frequently Asked Questions" about Recipient Reporting: Section 1201(c) of the ARRA, https://arrareporting.dot.gov/FAQ.cfm#q16.

According to DOT:

> An example of an indirect job is a worker who makes the steel or other construction materials used at the project site, or who manufactures a bus purchased by a transit authority using [Recovery Act] funds. These indirect jobs are not charged directly to the project but are embedded in materials costs. An example of an induced job is a fast food worker who sells lunches to your workers.[5]

For additional information by State and formula program, visit the Transparency and Accountability section of the Committee's website and click on "Transparency and Accountability Information by State and Program (Data Reported as of June 30, 2009)".

<u>Future Reports</u>

The Committee will require Federal agencies, States, Metropolitan Planning Organizations, public transit agencies, and other grant recipients to report regularly to the Committee regarding implementation of the Recovery Act.

[5] *Id.*

WITNESSES

The Honorable W. Ross Ashley
Assistant Administrator, Grant Programs
Federal Emergency Management Agency

Mr. Anthony E. Costa
Acting Commissioner, Public Buildings Service
General Services Administration

Mr. Craig E. Hooks
Acting Assistant Administrator for Administration and Resources Management
Environmental Protection Agency

Mr. Martin J. Rajk
Deputy Assistant Commandant for Resources and Deputy Chief Financial Officer
U.S. Coast Guard

Mr. Terrence C. Salt
Acting Assistant Secretary of the Army (Civil Works)
U.S. Army Corps of Engineers

Ms. Katherine A. Siggerud
Managing Director, Physical Infrastructure Issues
U.S. Government Accountability Office

T&I Committee Transparency and Accountability Information by State and Formula Funding under the American Recovery and Reinvestment Act of 2009 (P.L. 111-5) ("Recovery Act") Submissions Received by T&I Committee (Data Reported as of June 30, 2009)

	Recovery Act Funds Allocated	Recovery Act Funds Obligated	Recovery Act Funds Outlayed	Projects Put Out to Bid	Recovery Act Funds Associated with Projects Put Out to Bid	Projects Under Contract	Recovery Act Funds Associated with Projects Under Contract	Projects in Which Work Has Begun	Recovery Act Funds Associated with Projects in Which Work Has Begun	Completed Projects	Recovery Act Funds Associated with Completed Projects	Direct, On-Project Jobs Created or Sustained	Total Job Hours Created or Sustained	Total Payroll of Job Hours Created or Sustained
Alabama														
Clean Water State Revolving Fund	$43,821,558	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$513,692,083	$238,932,000	$3,472,223	55	$161,322,388	34	$126,758,088	12	$73,216,621	0	$0	149	9,661	$136,807
Transit Capital Assistance	$40,591,278	$0	$0	4	$9,425,000	0	$0	0	$0	0	$0	0	0	$0
Total	$598,104,919	$238,932,000	$3,472,223	59	$170,747,388	34	$126,758,088	12	$73,216,621	0	$0	149	9,661	$136,807
Alaska														
Clean Water State Revolving Fund	$23,454,981	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$175,461,487	$94,966,124	$1,671,077	12	$65,941,124	5	$37,119,025	3	$27,942,683	0	$0	59	2,063	$176,189
Transit Capital Assistance	$34,909,168	$25,825,268	$1,630,233	1	$130,662	7	$10,620,051	7	$1,582,584	0	$0	1	523	$22,206
Total	$233,825,636	$120,791,392	$3,301,310	13	$66,071,786	12	$47,739,076	10	$29,525,267	0	$0	60	2,586	$198,395
American Samoa														
Clean Water State Revolving Fund	$3,354,000	$3,354,000	$0	0	$0	0	$0	0	$0	0	$0	3	25	$500
Highway Infrastructure	$4,500,000	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$341,099	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$8,195,099	$3,354,000	$0	0	$0	0	$0	0	$0	0	$0	3	25	$500
Arizona														
Clean Water State Revolving Fund	$26,469,630	$23,506,412	$964,267	14	$23,506,412	11	$14,674,412	11	$14,674,412	0	$0	132	14,878	$341,606
Fixed Guideway	$640,070	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$521,958,401	$259,543,910	$289,134	60	$239,451,867	37	$76,591,867	34	$72,646,765	0	$0	484	9,752	$247,860
Transit Capital Assistance	$101,255,480	$16,022,390	$0	7	$32,921,217	7	$32,921,217	7	$32,921,217	0	$0	0	0	$0
Total	$650,323,581	$299,072,712	$1,253,401	81	$295,879,496	55	$124,187,496	52	$120,242,394	0	$0	616	24,630	$589,466
Arkansas														
Clean Water State Revolving Fund	$25,636,545	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$351,544,468	$134,572,804	$10,118,862	58	$95,712,216	58	$95,712,216	55	$67,042,393	11	$7,127,313	1,636	60,164	$1,089,045
Transit Capital Assistance	$20,573,849	$18,431,922	$24,000	16	$8,827,681	11	$7,014,181	11	$3,719,412	1	$3,169,772	0	0	$0
Total	$397,754,862	$153,004,726	$10,142,862	74	$104,539,897	69	$102,726,397	66	$70,761,805	12	$10,297,085	1,636	60,164	$1,089,045
California														
Clean Water State Revolving Fund	$280,285,335	$61,795,676	$4,086,899	12	$39,699,575	12	$39,699,575	12	$39,699,575	0	$0	209	0	$0
Fixed Guideway	$66,171,889	$61,396,722	$28,204	6	$26,868,842	2	$3,816,402	8	$3,966,049	0	$0	51	269	$28,204
Highway Infrastructure	$2,569,568,320	$1,596,161,274	$1,485,009	164	$1,292,282,803	63	$738,363,292	18	$333,211,250	0	$0	314	15,165	$866,497
Transit Capital Assistance	$774,781,829	$481,707,969	$12,097,579	93	$334,947,522	53	$139,957,918	60	$196,678,308	6	$9,109,101	802	422,142	$13,831,311
Total	$3,690,807,373	$2,201,061,641	$17,697,691	275	$1,693,798,742	130	$921,837,187	98	$573,555,182	6	$9,109,101	1,376	437,576	$14,726,012
Colorado														
Clean Water State Revolving Fund	$31,348,152	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$753,399	$753,399	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$403,924,130	$226,418,259	$0	39	$172,188,906	29	$139,694,744	23	$124,617,776	0	$0	576	26,706	$661,621
Transit Capital Assistance	$121,307,240	$32,409,901	$0	4	$12,231,207	0	$0	0	$0	0	$0	0	0	$0
Total	$557,332,921	$259,581,559	$0	43	$184,420,113	29	$139,694,744	23	$124,617,776	0	$0	576	26,706	$661,621

For a State/Territory where no row lists the Clean Water State Revolving Fund program, the State/Territory did not report to the T&I Committee.
For a Territory where no row lists the Transit Capital Assistance program, the Territory and/or transit grant recipient did not report to the T&I Committee.
For a State/Territory where no row lists the Fixed Guideway program, the State/Territory does not receive Fixed Guideway funds (except for Michigan and Puerto Rico, where the transit grant recipient did not report to the T&I Committee).

	Recovery Act Funds Allocated	Recovery Act Funds Obligated	Recovery Act Funds Outlayed	Projects Put Out to Bid	Recovery Act Funds Associated with Projects Put Out to Bid	Projects Under Contract	Recovery Act Funds Associated with Projects Under Contract	Projects in Which Work Has Begun	Recovery Act Funds Associated with Projects in Which Work Has Begun	Completed Projects	Recovery Act Funds Associated with Completed Projects	Direct, On-Project Jobs Created or Sustained	Total Job Hours Created or Sustained	Total Payroll of Job Hours Created or Sustained
Connecticut														
Clean Water State Revolving Fund	$48,010,347	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$32,030,396	$493,947	$0	2	$27,030,396	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$302,053,956	$177,103,318	$71,447	18	$173,187,098	16	$168,699,798	2	$71,262,967	0	$0	48	1,373	$57,669
Transit Capital Assistance	$117,967,245	$68,636,473	$0	4	$76,927,665	0	$0	0	$0	0	$0	0	0	$0
Total	$500,061,944	$246,233,738	$71,447	24	$277,145,159	16	$168,699,798	2	$71,262,967	0	$0	48	1,373	$57,669
Delaware														
Clean Water State Revolving Fund	$19,239,066	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$121,828,650	$71,317,560	$379,283	40	$42,779,150	30	$17,550,057	24	$10,272,389	0	$0	626	19,797	$499,929
Transit Capital Assistance	$19,000,000	$9,200,000	$0	0	$9,200,000	0	$0	0	$0	0	$0	0	0	$0
Total	$160,067,716	$80,517,560	$379,283	40	$51,979,150	30	$17,550,057	24	$10,272,389	0	$0	626	19,797	$499,929
District of Columbia														
Clean Water State Revolving Fund	$19,239,066	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$13,888,380	$17,749,826	$0	5	$16,000,000	1	$841,287	1	$841,287	0	$0	0	0	$0
Highway Infrastructure	$123,507,842	$101,096,661	$50,643	6	$91,225,853	4	$9,870,806	2	$5,845,806	1	$1,000,000	120	8,050	$103,512
Transit Capital Assistance	$184,083,396	$0	$0	22	$138,920,222	1	$868,650	1	$868,650	0	$0	0	0	$0
Total	$340,718,684	$118,846,487	$50,643	33	$246,146,075	6	$11,580,743	4	$7,555,743	1	$1,000,000	120	8,050	$103,512
Florida														
Clean Water State Revolving Fund	$132,286,374	$47,576,810	$76,126	5	$27,481,603	5	$27,481,603	5	$27,481,603	0	$0	26	3,896	$66,589
Fixed Guideway	$5,410,766	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$1,346,735,003	$1,072,521,734	$0	20	$170,542,937	11	$160,728,713	10	$29,194,714	0	$0	19	210	$6,998
Transit Capital Assistance	$275,519,309	$4,459,272	$7,247,447	56	$30,080,893	54	$29,152,913	51	$23,003,473	6	$270,404	56	26,540	$1,114,528
Total	$1,759,951,452	$1,124,557,816	$7,323,573	81	$228,105,433	70	$217,363,229	66	$79,679,790	6	$270,404	101	30,646	$1,188,115
Georgia														
Clean Water State Revolving Fund	$66,261,294	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$7,380,854	$0	$0	1	$7,380,854	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$931,585,680	$448,420,661	$26,513	101	$413,853,984	39	$76,332,862	39	$76,332,862	0	$0	0	0	$0
Transit Capital Assistance	$96,158,401	$0	$0	3	$36,120,078	0	$0	0	$0	0	$0	0	0	$0
Total	$1,101,386,229	$448,420,661	$26,513	105	$457,354,916	39	$76,332,862	39	$76,332,862	0	$0	0	0	$0
Guam														
Highway Infrastructure	$18,000,000	$18,000,000	$0	5	$18,000,000	0	$0	0	$0	0	$0	0	0	$0
Total	$18,000,000	$18,000,000	$0	5	$18,000,000	0	$0	0	$0	0	$0	0	0	$0
Hawaii														
Clean Water State Revolving Fund	$30,352,311	$0	$0	3	$15,961,950	2	$8,523,875	0	$0	0	$0	0	0	$0
Fixed Guideway	$234,793	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$125,746,380	$54,329,359	$0	9	$45,634,972	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$43,582,493	$2,933,345	$0	1	$977,811	1	$977,811	1	$977,811	0	$0	0	0	$0
Total	$199,935,977	$57,262,704	$0	13	$62,574,733	3	$9,501,686	1	$977,811	0	$0	0	0	$0
Idaho														
Clean Water State Revolving Fund	$19,239,066	$3,160,000	$0	1	$1,395,149	1	$1,395,149	0	$0	0	$0	0	0	$0
Highway Infrastructure	$181,934,631	$143,847,914	$397,523	8	$141,203,547	5	$81,876,176	5	$81,876,176	0	$0	34	741	$21,083
Transit Capital Assistance	$29,935,867	$3,721,912	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$231,109,564	$150,729,826	$397,523	9	$142,598,696	6	$83,271,325	5	$81,876,176	0	$0	34	741	$21,083

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For a Territory where no row lists the Transit Capital Assistance program, the Territory and/or transit grant recipient did not report to the T&I Committee.
For a State/Territory where no row lists the Fixed Guideway program, the State/Territory does not receive Fixed Guideway funds (except for Michigan and Puerto Rico, where the transit grant recipient did not report to the T&I Committee).

	Recovery Act Funds Allocated	Recovery Act Funds Obligated	Recovery Act Funds Outlayed	Projects Put Out to Bid	Recovery Act Funds Associated with Projects Put Out to Bid	Projects Under Contract	Recovery Act Funds Associated with Projects Under Contract	Projects in Which Work Has Begun	Recovery Act Funds Associated with Projects in Which Work Has Begun	Completed Projects	Recovery Act Funds Associated with Completed Projects	Direct, On-Project Jobs Created or Sustained	Total Job Hours Created or Sustained	Total Payroll of Job Hours Created or Sustained
Illinois														
Clean Water State Revolving Fund	$177,243,066	$3,100,000	$0	8	$20,724,664	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$96,088,797	$55,209,245	$26,442,922	8	$83,034,850	5	$42,709,245	5	$42,709,245	1	$25,200,000	416	598,878	$26,381,123
Highway Infrastructure	$935,592,704	$627,093,000	$16,195,242	257	$666,960,783	206	$460,799,438	152	$351,312,063	5	$4,300,605	572	297,394	$10,439,651
Transit Capital Assistance	$365,568,604	$305,397,914	$55,114,513	25	$322,413,338	18	$312,549,037	9	$221,617,053	1	$50,000,000	1,327	1,363,120	$66,487,023
Total	$1,574,493,171	$990,800,159	$97,752,677	298	$1,093,133,635	229	$816,057,720	166	$615,638,361	7	$79,500,605	2,315	2,259,392	$103,307,797
Indiana														
Clean Water State Revolving Fund	$94,447,485	$11,017,000	$5,467,978	6	$11,017,000	5	$10,247,000	5	$10,247,000	0	$0	35	7,853	$41,884
Fixed Guideway	$5,858,540	$0	$0	1	$6,412,487	1	$6,412,487	1	$6,412,487	0	$0	5	334	$24,462
Highway Infrastructure	$657,967,707	$134,794,404	$0	246	$282,704,989	166	$239,784,936	165	$239,428,738	0	$0	2,448	92,849	$2,778,543
Transit Capital Assistance	$66,221,703	$22,962,664	$6,835,156	7	$25,672,070	5	$25,161,070	3	$14,288,148	0	$0	77	83,780	$1,858,314
Total	$824,495,435	$168,774,068	$12,303,134	260	$325,806,546	177	$281,605,493	174	$270,376,373	0	$0	2,565	184,816	$4,703,203
Iowa														
Clean Water State Revolving Fund	$53,040,042	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$358,162,431	$317,945,159	$25,740,522	170	$317,945,159	117	$245,428,135	58	$179,711,164	1	$299,530	1,792	82,990	$2,204,542
Transit Capital Assistance	$33,734,091	$25,846,065	$91,187	56	$24,709,995	56	$24,329,995	5	$3,294,688	0	$0	3	680	$74,141
Total	$444,936,564	$343,791,224	$25,831,709	226	$342,655,154	173	$269,758,130	63	$183,005,852	1	$299,530	1,795	83,670	$2,278,683
Kansas														
Clean Water State Revolving Fund	$35,374,185	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$347,817,167	$198,263,540	$327,925	20	$216,329,997	8	$191,969,330	6	$181,495,788	0	$0	0	0	$0
Transit Capital Assistance	$25,187,018	$0	$0	12	$6,302,590	12	$6,302,590	12	$6,302,590	0	$0	0	0	$0
Total	$408,378,370	$198,263,540	$327,925	32	$222,632,587	20	$198,271,920	18	$187,798,378	0	$0	0	0	$0
Kentucky														
Clean Water State Revolving Fund	$49,878,081	$13,045,000	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$421,094,991	$220,295,140	$1,797,480	17	$213,855,078	16	$212,266,078	6	$89,255,318	0	$0	417	24,815	$706,027
Transit Capital Assistance	$49,045,837	$45,035,491	$1,337,728	59	$24,991,423	33	$21,126,917	29	$11,927,183	0	$0	58	39,901	$1,238,207
Total	$520,018,909	$278,375,631	$3,135,208	76	$238,846,501	49	$233,392,995	35	$101,182,501	0	$0	475	64,716	$1,944,234
Louisiana														
Clean Water State Revolving Fund	$43,081,434	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$2,425,343	$2,425,300	$2,425,300	1	$80,000	1	$80,000	1	$80,000	0	$0	0	0	$0
Highway Infrastructure	$429,859,427	$238,970,017	$32,907	45	$238,100,077	36	$201,320,164	4	$71,780,560	0	$0	69	8,672	$193,486
Transit Capital Assistance	$47,589,199	$10,327,500	$10,327,500	41	$12,912,500	28	$13,521,160	20	$6,588,376	16	$1,100,741	253	283,550	$2,917,631
Total	$522,955,403	$251,722,817	$12,785,707	87	$251,092,577	65	$214,921,324	25	$78,448,936	16	$1,100,741	322	292,222	$3,111,117
Maine														
Clean Water State Revolving Fund	$30,336,768	$14,858,461	$0	5	$7,561,461	15	$12,672,281	15	$22,526	0	$0	11	1,632	$22,526
Highway Infrastructure	$130,752,032	$130,752,032	$20,271,460	72	$47,268,960	57	$9,736,116	34	$72,565,248	2	$1,181,707	1,231	131,536	$3,073,822
Transit Capital Assistance	$13,266,105	$13,266,105	$0	3	$13,266,105	0	$0	0	$0	0	$0	0	0	$0
Total	$174,354,905	$158,876,598	$20,271,460	80	$68,096,526	72	$22,408,397	49	$72,587,774	2	$1,181,707	1,242	133,168	$3,096,348
Maryland														
Clean Water State Revolving Fund	$94,784,580	$0	$0	10	$30,659,000	7	$11,492,000	6	$5,492,000	0	$0	0	0	$0
Fixed Guideway	$15,265,694	$0	$0	3	$5,176,485	2	$2,377,914	1	$400,000	0	$0	41	3,275	$102,893
Highway Infrastructure	$431,034,777	$309,652,586	$3,527,924	104	$308,110,401	76	$213,016,033	65	$169,471,006	0	$0	480	20,369	$457,928
Transit Capital Assistance	$119,406,194	$0	$0	13	$83,519,328	14	$85,881,996	6	$32,562,668	0	$0	254	23,693	$721,466
Total	$660,491,245	$309,652,586	$3,527,924	130	$427,465,214	99	$312,767,943	78	$207,925,674	0	$0	775	47,337	$1,282,287

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	Recovery Act Funds Allocated	Recovery Act Funds Obligated	Recovery Act Funds Outlayed	Projects Put Out to Bid	Recovery Act Funds Associated with Projects Put Out to Bid	Projects Under Contract	Recovery Act Funds Associated with Projects Under Contract	Projects in Which Work Has Begun	Recovery Act Funds Associated with Projects in Which Work Has Begun	Completed Projects	Recovery Act Funds Associated with Completed Projects	Direct, On-Project Jobs Created or Sustained	Total Job Hours Created or Sustained	Total Payroll of Job Hours Created or Sustained
Massachusetts														
Clean Water State Revolving Fund	$133,057,188	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$52,362,925	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$437,865,255	$190,761,836	$0	30	$190,761,836	20	$67,040,095	20	$67,040,095	0	$0	277	277	$11,783
Transit Capital Assistance	$238,806,057	$70,725,677	$304,936	28	$29,196,977	29	$29,499,112	24	$14,578,369	4	$13,009	17	1,574	$119,232
Total	$862,091,425	$261,487,513	$304,936	58	$219,958,813	49	$96,539,207	44	$81,618,464	4	$13,009	294	1,851	$131,015
Michigan														
Clean Water State Revolving Fund	$168,508,989	$42,977,000	$4,560,377	40	$76,463,000	10	$40,126,000	10	$40,126,000	0	$0	0	0	$0
Highway Infrastructure	$847,204,834	$428,041,213	$6,835,951	162	$394,892,858	92	$154,472,678	25	$107,576,469	7	$3,823,324	833	28,825	$1,093,361
Transit Capital Assistance	$96,960,639	$14,040,635	$0	10	$21,035,272	3	$4,280,825	3	$3,080,001	0	$0	121	105,269	$2,104,406
Total	$1,112,674,462	$485,058,848	$11,396,328	212	$492,391,130	105	$198,879,503	38	$150,782,470	7	$3,823,324	954	134,094	$3,197,767
Minnesota														
Clean Water State Revolving Fund	$72,031,014	$32,610,794	$0	24	$78,681,258	8	$32,610,794	8	$32,610,794	0	$0	13	4,547	$125,946
Fixed Guideway	$1,851,573	$0	$0	1	$1,851,573	1	$1,851,573	0	$0	0	$0	0	0	$0
Highway Infrastructure	$502,284,177	$347,512,141	$21,851,219	98	$273,243,473	54	$162,594,178	36	$112,415,896	4	$1,374,463	2,130	118,041	$3,580,386
Transit Capital Assistance	$92,241,542	$0	$0	3	$49,524,702	3	$49,524,702	2	$31,062,193	0	$0	0	0	$0
Total	$668,408,306	$380,122,935	$21,851,219	126	$403,301,006	66	$246,581,247	46	$176,088,883	4	$1,374,463	2,143	122,588	$3,706,332
Mississippi														
Highway Infrastructure	$354,654,343	$291,797,368	$0	56	$251,857,058	43	$199,590,178	20	$105,095,020	0	$0	1,270	90,693	$947,564
Transit Capital Assistance	$20,300,000	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$374,954,343	$291,797,368	$0	56	$251,857,058	43	$199,590,178	20	$105,095,020	0	$0	1,270	90,693	$947,564
Missouri														
Clean Water State Revolving Fund	$108,641,808	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$1,289,449	$0	$0	0	$0	0	$0	0	$0	0	$0	8	258	$14,217
Highway Infrastructure	$637,121,984	$392,835,169	$18,912,123	134	$377,114,777	108	$205,965,379	52	$109,427,355	24	$8,632,195	1,462	60,824	$2,150,441
Transit Capital Assistance	$91,683,858	$20,369,011	$175,176	23	$17,096,011	23	$17,096,011	10	$2,406,657	0	$0	20	1,285	$70,702
Total	$838,737,099	$413,204,180	$19,087,299	157	$394,210,788	131	$223,061,390	62	$111,834,012	24	$8,632,195	1,490	62,367	$2,235,360
Montana														
Clean Water State Revolving Fund	$19,239,066	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$211,793,391	$98,748,520	$2,186,091	48	$85,423,420	39	$66,630,570	44	$87,045,524	0	$0	63	17,195	$440,974
Transit Capital Assistance	$15,611,710	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$246,644,167	$98,748,520	$2,186,091	48	$85,423,420	39	$66,630,570	44	$87,045,524	0	$0	63	17,195	$440,974
Nebraska														
Clean Water State Revolving Fund	$20,045,025	$8,612,500	$0	6	$8,612,500	6	$8,612,500	5	$5,862,500	1	$150,000	0	0	$0
Highway Infrastructure	$235,589,279	$110,613,350	$0	30	$110,613,350	24	$78,251,654	24	$78,251,654	0	$0	602	35,298	$576,550
Transit Capital Assistance	$23,790,610	$7,897,686	$64,184	13	$9,908,970	2	$7,937,238	10	$8,000,870	8	$64,184	5	110	$13,676
Total	$279,424,914	$127,123,536	$64,184	49	$129,134,820	32	$94,801,392	39	$92,115,024	9	$214,184	607	35,408	$590,226
Nevada														
Clean Water State Revolving Fund	$19,239,066	$7,127,100	$4,125	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$201,352,460	$71,288,539	$92,283	13	$71,288,539	8	$47,857,996	6	$30,043,131	0	$0	57	4,196	$142,465
Transit Capital Assistance	$49,463,770	$34,216,651	$0	3	$18,011,520	3	$13,028,149	3	$13,028,149	0	$0	64	4,210	$179,237
Total	$270,055,296	$112,632,290	$96,408	16	$89,300,059	11	$60,886,145	9	$43,071,280	0	$0	121	8,406	$321,702

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	Recovery Act Funds Allocated	Recovery Act Funds Obligated	Recovery Act Funds Outlayed	Projects Put Out to Bid	Recovery Act Funds Associated with Projects Put Out to Bid	Projects Under Contract	Recovery Act Funds Associated with Projects Under Contract	Projects in Which Work Has Begun	Recovery Act Funds Associated with Projects in Which Work Has Begun	Completed Projects	Recovery Act Funds Associated with Completed Projects	Direct, On-Project Jobs Created or Sustained	Total Job Hours Created or Sustained	Total Payroll of Job Hours Created or Sustained
New Hampshire														
Clean Water State Revolving Fund	$39,163,905	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$129,440,556	$106,192,792	$7,596,997	22	$105,246,217	16	$82,969,427	16	$82,969,427	0	$0	915	28,103	$659,894
Transit Capital Assistance	$13,490,215	$7,121,714	$94,540	12	$6,131,261	7	$2,236,261	8	$2,536,261	1	$18,218	0	0	$0
Total	$182,094,676	$113,314,506	$7,691,537	34	$111,377,478	23	$85,205,688	24	$85,505,688	1	$18,218	915	28,103	$659,894
New Jersey														
Clean Water State Revolving Fund	$160,146,855	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$76,835,714	$0	$16,360,000	2	$22,276,571	2	$17,297,000	2	$34,304,000	0	$0	283	250,475	$6,529,328
Highway Infrastructure	$651,774,480	$458,929,115	$227,944	36	$371,324,229	27	$323,091,583	53	$458,929,115	0	$0	604	10,942	$481,929
Transit Capital Assistance	$356,701,313	$0	$23,915,000	10	$244,635,313	6	$189,203,000	6	$199,203,000	0	$0	284	224,020	$5,810,384
Total	$1,245,458,362	$458,929,115	$40,502,944	48	$638,236,113	35	$529,591,583	61	$692,436,115	0	$0	1,171	485,437	$12,821,641
New Mexico														
Clean Water State Revolving Fund	$19,239,066	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$252,644,377	$135,300,000	$0	9	$135,300,000	7	$95,300,000	7	$95,300,000	0	$0	376	24,479	$478,242
Transit Capital Assistance	$27,518,452	$0	$0	1	$3,000,000	0	$0	0	$0	0	$0	0	0	$0
Total	$299,401,895	$135,300,000	$0	10	$138,300,000	7	$95,300,000	7	$95,300,000	0	$0	376	24,479	$478,242
New York														
Clean Water State Revolving Fund	$432,563,967	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$254,817,805	$0	$0	7	$254,819,946	3	$134,260,000	0	$0	0	$0	0	0	$0
Highway Infrastructure	$1,120,684,723	$632,490,082	$4,597,093	114	$350,392,712	50	$152,716,382	38	$132,455,212	0	$0	639	34,698	$1,255,116
Transit Capital Assistance	$1,001,631,008	$0	$0	32	$768,041,541	14	$124,781,338	12	$84,287,749	2	$50,000	342	31,226	$1,764,457
Total	$2,809,697,503	$632,490,082	$4,597,093	153	$1,373,254,199	67	$411,757,720	50	$216,742,961	2	$50,000	981	65,924	$3,019,573
North Carolina														
Highway Infrastructure	$735,526,684	$443,459,202	$6,475,002	77	$338,536,144	62	$311,764,081	39	$202,580,214	0	$0	1,786	66,706	$1,251,625
Transit Capital Assistance	$89,805,734	$0	$0	3	$2,919,000	3	$2,919,000	2	$2,902,500	0	$0	0	0	$0
Total	$825,332,418	$443,459,202	$6,475,002	80	$341,455,144	65	$314,683,081	41	$205,482,714	0	$0	1,786	66,706	$1,251,625
North Dakota														
Highway Infrastructure	$170,126,497	$92,655,661	$7,007,324	65	$92,405,634	32	$68,623,124	9	$48,684,696	0	$0	541	28,509	$656,149
Transit Capital Assistance	$10,997,089	$5,040,826	$36,738	9	$4,908,826	5	$1,536,277	2	$36,738	2	$35,000	5	24	$1,663
Total	$181,123,586	$97,696,487	$7,044,062	74	$97,314,460	37	$70,159,401	11	$48,721,434	2	$35,000	546	28,533	$657,812
Northern Marianas														
Highway Infrastructure	$4,500,000	$450,000	$0	1	$450,000	0	$0	1	$450,000	0	$0	0	0	$0
Total	$4,500,000	$450,000	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Ohio														
Clean Water State Revolving Fund	$220,623,381	$7,306,677	$0	5	$7,306,677	5	$7,306,677	5	$7,306,677	0	$0	0	0	$0
Fixed Guideway	$12,772,779	$0	$0	6	$10,617,724	6	$9,060,831	5	$4,784,146	2	$5,042	8	145	$5,042
Highway Infrastructure	$935,677,030	$442,813,092	$119,702	157	$442,813,092	62	$99,568,614	62	$99,568,614	0	$0	103	3,091	$105,267
Transit Capital Assistance	$164,269,076	$25,852,418	$3,723,494	53	$64,804,603	29	$56,579,911	24	$46,109,701	6	$2,370,835	336	11,551	$250,591
Total	$1,333,342,266	$475,972,187	$3,843,196	221	$525,542,096	102	$172,516,033	96	$157,769,138	8	$2,375,877	447	14,787	$360,900
Oklahoma														
Clean Water State Revolving Fund	$31,662,081	$4,562,696	$0	6	$4,849,696	5	$4,562,696	3	$1,489,696	0	$0	34	1,868	$1,868
Highway Infrastructure	$464,655,225	$383,493,825	$26,447,877	132	$376,870,895	113	$342,702,631	41	$245,703,784	0	$0	2,142	121,637	$2,038,555
Transit Capital Assistance	$26,944,788	$0	$0	6	$6,088,560	5	$5,638,560	4	$4,870,560	0	$0	22	7,748	$163,584
Total	$523,262,094	$388,056,521	$26,447,877	144	$387,809,151	123	$352,903,887	48	$252,064,040	0	$0	2,198	131,253	$2,204,007

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For a State/Territory where no row lists the Fixed Guideway program, the State/Territory does not receive Fixed Guideway funds (except for Michigan and Puerto Rico, where the transit grant recipient did not report to the T&I Committee).

	Recovery Act Funds Allocated	Recovery Act Funds Obligated	Recovery Act Funds Outlayed	Projects Put Out to Bid	Recovery Act Funds Associated with Projects Put Out to Bid	Projects Under Contract	Recovery Act Funds Associated with Projects Under Contract	Projects in Which Work Has Begun	Recovery Act Funds Associated with Projects in Which Work Has Begun	Completed Projects	Recovery Act Funds Associated with Completed Projects	Direct, On-Project Jobs Created or Sustained	Total Job Hours Created or Sustained	Total Payroll of Job Hours Created or Sustained
Oregon														
Clean Water State Revolving Fund	$44,271,018	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$1,125,728	$1,125,728	$0	0	$0	0	$0	1	$1,125,728	1	$1,125,728	11	22,880	$913,000
Highway Infrastructure	$333,902,389	$178,536,292	$2,026,822	82	$136,096,476	79	$135,926,476	58	$116,802,582	14	$1,869,789	3,063	58,369	$2,187,497
Transit Capital Assistance	$85,811,485	$48,231,036	$0	24	$37,054,461	13	$9,064,570	13	$9,064,570	1	$75,000	114	10,835	$477,841
Total	$465,110,620	$227,893,056	$2,026,822	106	$173,150,937	92	$144,991,046	72	$126,992,880	16	$3,070,517	3,188	92,084	$3,580,338
Pennsylvania														
Clean Water State Revolving Fund	$155,237,544	$93,678,317	$0	19	$76,065,441	5	$25,013,616	1	$28,780	0	$0	0	0	$0
Fixed Guideway	$80,303,844	$65,662,084	$0	10	$77,329,091	10	$77,329,091	8	$68,265,760	0	$0	327	4,788	$170,274
Highway Infrastructure	$1,026,429,012	$722,946,015	$13,113,224	218	$788,009,061	162	$460,435,824	131	$352,710,923	1	$332,571	1,930	88,602	$2,577,612
Transit Capital Assistance	$256,317,733	$90,924,573	$0	37	$179,633,714	26	$162,551,709	19	$149,581,299	0	$0	487	11,095	$447,533
Total	$1,518,288,133	$973,210,989	$13,113,224	284	$1,121,037,307	203	$725,330,240	159	$570,586,762	1	$332,571	2,744	104,485	$3,195,419
Puerto Rico														
Highway Infrastructure	$105,000,000	$62,596,782	$0	13	$62,596,782	3	$9,342,032	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$64,445,095	$0	$0	6	$22,500,000	0	$0	0	$0	0	$0	0	0	$0
Total	$169,445,095	$62,596,782	$0	19	$85,096,782	0	$0	0	$0	0	$0	0	0	$0
Rhode Island														
Clean Water State Revolving Fund	$26,314,596	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$63,943	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$137,095,725	$113,525,743	$2,411,270	42	$102,856,959	22	$35,182,353	21	$34,882,520	0	$0	842	32,181	$889,802
Transit Capital Assistance	$38,001,658	$626,000	$0	2	$14,700,000	1	$2,100,000	0	$0	0	$0	0	0	$0
Total	$201,475,922	$114,151,743	$2,411,270	44	$117,556,959	23	$37,282,353	21	$34,882,520	0	$0	842	32,181	$889,802
South Carolina														
Highway Infrastructure	$463,081,483	$216,738,767	$8,356	73	$110,654,804	57	$110,654,804	12	$15,586,922	0	$0	13	88	$13,207
Transit Capital Assistance	$23,657,828	$216,111	$97,707	1	$4,780,000	0	$0	3	$6,478,887	0	$0	6	1,124	$38,890
Total	$486,739,311	$216,954,878	$106,063	74	$115,434,804	57	$110,654,804	15	$22,065,809	0	$0	19	1,212	$52,097
South Dakota														
Clean Water State Revolving Fund	$19,239,066	$2,057,000	$0	1	$342,169	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$183,027,359	$92,378,801	$13,669,812	15	$88,945,139	14	$85,156,705	12	$82,340,915	0	$0	1,423	99,609	$2,271,050
Transit Capital Assistance	$7,372,825	$6,642,706	$361,171	32	$3,204,584	32	$204,584	30	$2,604,584	4	$361,171	4	32	$321
Total	$209,639,250	$101,078,507	$14,030,983	48	$92,491,892	46	$85,361,289	42	$84,945,499	4	$361,171	1,427	99,641	$2,271,371
Tennessee														
Clean Water State Revolving Fund	$56,930,445	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$28,040	$28,040	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$572,701,043	$471,171,130	$7,593,574	197	$470,049,130	190	$434,531,189	115	$251,831,615	0	$0	535	91,477	$1,685,058
Transit Capital Assistance	$73,216,802	$26,553,092	$0	14	$29,808,857	9	$24,268,901	5	$16,962,548	0	$0	15	1,419	$20,430
Total	$702,876,330	$497,752,262	$7,593,574	211	$499,857,987	199	$458,800,090	120	$268,794,163	0	$0	550	92,896	$1,705,488
Texas														
Clean Water State Revolving Fund	$179,122,284	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$2,609,607	$300,940	$0	0	$0	1	$300,940	1	$300,940	0	$0	10	5,640	$225,500
Highway Infrastructure	$2,250,015,146	$742,504,998	$2,520	246	$452,531,839	230	$384,039,665	225	$314,857,655	0	$0	1,314	49,052	$741,562
Transit Capital Assistance	$355,671,658	$116,987,701	$48,432,364	68	$159,717,914	52	$197,993,136	60	$174,297,815	5	$13,437,701	732	719,956	$25,228,744
Total	$2,787,418,695	$859,793,639	$48,434,884	314	$612,249,753	283	$582,333,741	286	$489,456,410	5	$13,437,701	2,056	774,648	$26,195,806

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For a State/Territory where no row lists the Fixed Guideway program, the State/Territory does not receive Fixed Guideway funds (except for Michigan and Puerto Rico, where the transit grant recipient did not report to the T&I Committee).

	Recovery Act Funds Allocated	Recovery Act Funds Obligated	Recovery Act Funds Outlayed	Projects Put Out to Bid	Recovery Act Funds Associated with Projects Put Out to Bid	Projects Under Contract	Recovery Act Funds Associated with Projects Under Contract	Projects in Which Work Has Begun	Recovery Act Funds Associated with Projects in Which Work Has Begun	Completed Projects	Recovery Act Funds Associated with Completed Projects	Direct, On-Project Jobs Created or Sustained	Total Job Hours Created or Sustained	Total Payroll of Job Hours Created or Sustained
Utah														
Clean Water State Revolving Fund	$20,650,014	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$213,545,653	$146,836,275	$6,077,047	77	$146,836,275	56	$123,069,798	40	$100,759,142	1	$1,200,000	2,288	26,321	$982,685
Transit Capital Assistance	$48,333,398	$2,922,108	$60,822	2	$24,601,730	1	$12,190,000	0	$0	0	$0	0	0	$0
Total	$282,529,065	$149,758,383	$6,137,869	79	$171,438,005	57	$135,259,798	40	$100,759,142	1	$1,200,000	2,288	26,321	$982,685
Vermont														
Clean Water State Revolving Fund	$19,239,066	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$125,791,291	$54,567,569	$12,697,286	22	$54,567,569	20	$44,806,569	20	$44,806,569	0	$0	767	43,884	$1,135,677
Transit Capital Assistance	$5,680,572	$1,714,536	$0	1	$1,714,536	1	$1,714,536	1	$1,714,536	0	$0	0	0	$0
Total	$150,710,929	$56,282,105	$12,697,286	23	$56,282,105	21	$46,521,105	21	$46,521,105	0	$0	767	43,884	$1,135,677
Virginia														
Clean Water State Revolving Fund	$80,203,266	$80,203,300	$0	13	$54,773,750	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$4,209,386	$0	$0	1	$437,148	1	$437,148	0	$0	0	$0	0	0	$0
Highway Infrastructure	$694,460,823	$285,186,164	$0	36	$260,583,390	20	$123,273,334	2	$7,576,381	0	$0	23	427	$7,378
Transit Capital Assistance	$55,153,488	$200,000	$0	7	$21,004,228	6	$5,704,228	6	$5,533,415	0	$0	103	214,429	$5,072,450
Total	$834,026,963	$365,589,464	$0	57	$336,798,516	27	$129,414,710	8	$13,109,796	0	$0	126	214,856	$5,079,828
Virgin Islands														
Clean Water State Revolving Fund	$2,060,000	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$18,000,000	$10,608,198	$0	3	$10,608,198	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$1,284,112	$1,284,112	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$21,344,112	$11,892,310	$0	3	$10,608,198	0	$0	0	$0	0	$0	0	0	$0
Washington														
Clean Water State Revolving Fund	$68,152,095	$22,974,618	$0	0	$0	1	$22,974,618	1	$22,974,618	0	$0	237	0	$0
Fixed Guideway	$6,699,276	$3,456,735	$0	1	$2,453,235	1	$2,453,235	7	$1,485,941	0	$0	62	4,238	$327,757
Highway Infrastructure	$492,242,337	$363,569,774	$6,672,412	124	$347,420,176	64	$185,702,443	38	$105,449,806	1	$126,198	2,905	98,267	$3,842,048
Transit Capital Assistance	$168,681,185	$146,869,777	$27,239,565	29	$94,892,414	20	$99,617,959	22	$74,196,988	2	$26,530,029	277	197,145	$8,807,076
Total	$735,774,893	$536,870,904	$33,911,977	154	$444,765,825	86	$310,748,255	68	$204,107,353	3	$26,656,227	3,481	299,650	$12,976,881
West Virginia														
Clean Water State Revolving Fund	$61,092,108	$10,160,034	$138,606	13	$24,779,271	4	$9,160,134	4	$9,160,134	0	$0	42	3,011	$255,208
Fixed Guideway	$309,339	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$210,852,204	$165,718,000	$9,568,917	74	$172,922,000	66	$97,338,000	29	$36,237,000	0	$0	495	21,766	$617,760
Transit Capital Assistance	$18,366,136	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$290,619,787	$175,878,034	$9,707,523	87	$197,701,271	70	$106,498,134	33	$45,397,134	0	$0	537	24,777	$872,968
Wisconsin														
Clean Water State Revolving Fund	$105,948,315	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$243,232	$0	$0	1	$243,232	1	$243,232	0	$0	0	$0	0	0	$0
Highway Infrastructure	$529,111,915	$351,915,760	$1,216,226	134	$351,855,762	108	$244,378,893	31	$137,146,211	0	$0	1,624	29,927	$835,331
Transit Capital Assistance	$53,566,677	$2,100,000	$2,879,603	3	$11,387,302	3	$10,907,303	1	$2,100,000	0	$0	0	0	$0
Total	$688,870,139	$354,015,760	$4,095,829	138	$363,486,296	112	$255,529,428	32	$139,246,211	0	$0	1,624	29,927	$835,331
Wyoming														
Clean Water State Revolving Fund	$19,239,066	$18,927,857	$0	4	$3,065,528	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$157,616,058	$150,816,288	$8,023,523	57	$150,816,288	48	$133,931,084	45	$120,121,970	0	$0	178	20,128	$218,565
Transit Capital Assistance	$9,300,399	$225,869	$0	1	$225,869	1	$225,869	0	$225,869	0	$0	0	0	$0
Total	$186,155,523	$169,970,014	$8,023,523	62	$154,107,685	49	$134,156,953	45	$120,347,839	0	$0	178	20,128	$218,565

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For a State/Territory where no row lists the Fixed Guideway program, the State/Territory does not receive Fixed Guideway funds (except for Michigan and Puerto Rico, where the transit grant recipient did not report to the T&I Committee).

Putting to Work Recovery Act Highway Formula Funds

Step 1: President Obama signs Recovery Act into law (P.L. 111-5)
(February 17, 2009)

↓

Step 2: Federal Highway Administration (FHWA) apportions highway formula funds to States
(March 2, 2009)
States have 120 days (June 30, 2009) from date of apportionment to obligate at least one-half of State-administered funds and one year (March 2, 2010) to obligate all funds.

↓

Step 3: Maintenance of Effort and Other Certifications
Within 30 days of enactment (March 19, 2009), Governor certifies to DOT that State will maintain its effort with regard to funding for transportation projects. Within 45 days of enactment (April 3, 2009), Governor certifies that funds will be used to create jobs and promote economic growth. Prior to receiving funds, Governor also accepts responsibility that the infrastructure investment is an appropriate use of taxpayer dollars.

↓

Step 4: State obligates specific Recovery Act project
The point of obligation occurs when FHWA approves a project that a State has already vetted and submitted to a FHWA division office. FHWA normally approves a project within one or two days.

Federal Action Complete

↓

Step 5: State sends out invitation for bids
(Within one to 30 days)
Contractors normally have 21 days to bid, depending on the complexity and size of project.

↓

Step 6: State reviews bids and awards contract(s)
(Within four to 30 days)

↓

Step 7: Contractor immediately mobilizes and prepares to start work by hiring new workers and retaining employees in anticipation of starting Recovery Act project

Job Creation

↓

Step 8: State issues notice to proceed: Work can now begin on Recovery Act project and contractor puts equipment on job site
(Within 10 to 30 days)

45 to 90 Days

↓

Step 9: Work begins on project
(Within one to 30 days)

↓

Step 10: Job creation reported
By the 10th day of the month following work on job site, contractor reports direct, on-project job creation/sustainment to State. By the 20th day, State reports to FHWA and T&I Committee.

Job Creation Reported

↓

Step 11: State makes progress payment to contractor for completed work
(Approximately seven to 30 days from the start of work)

↓

Step 12: State submits reimbursement voucher to FHWA
(Within one to 30 days)

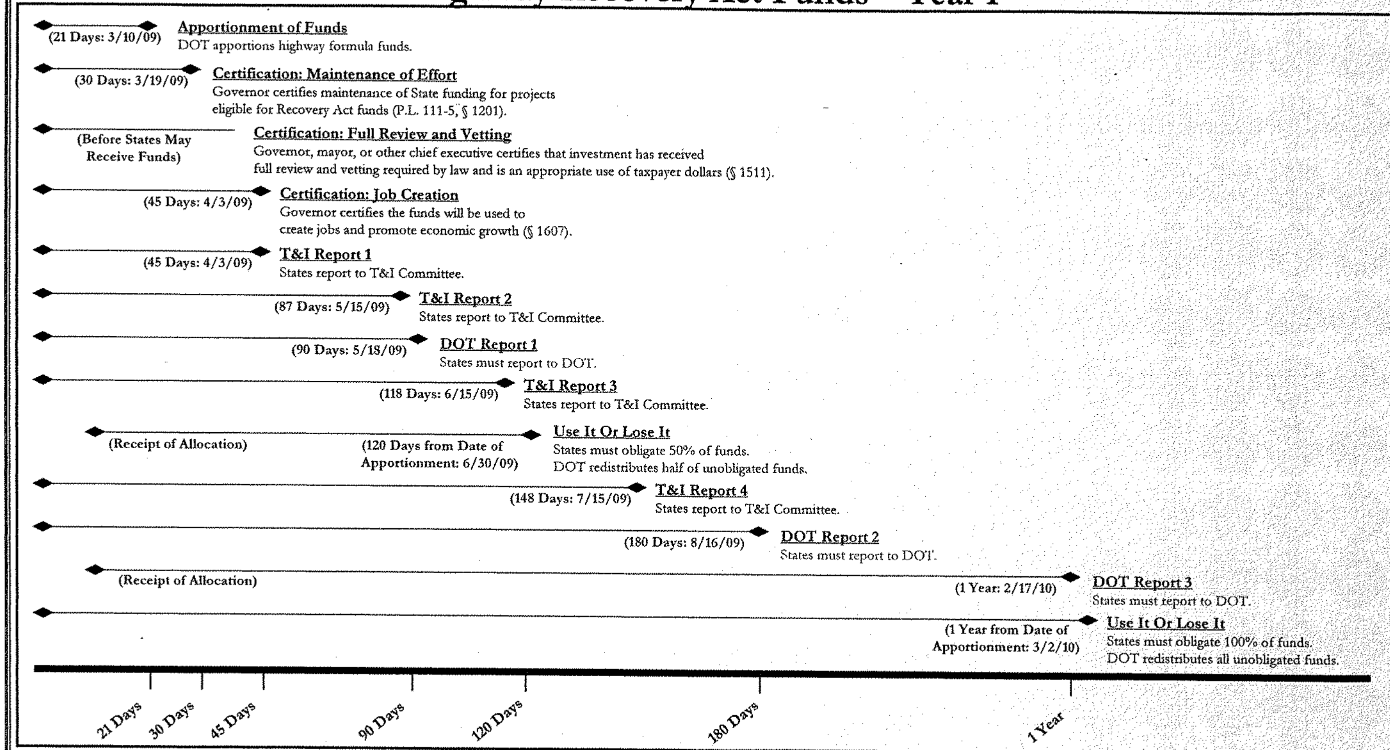
↓

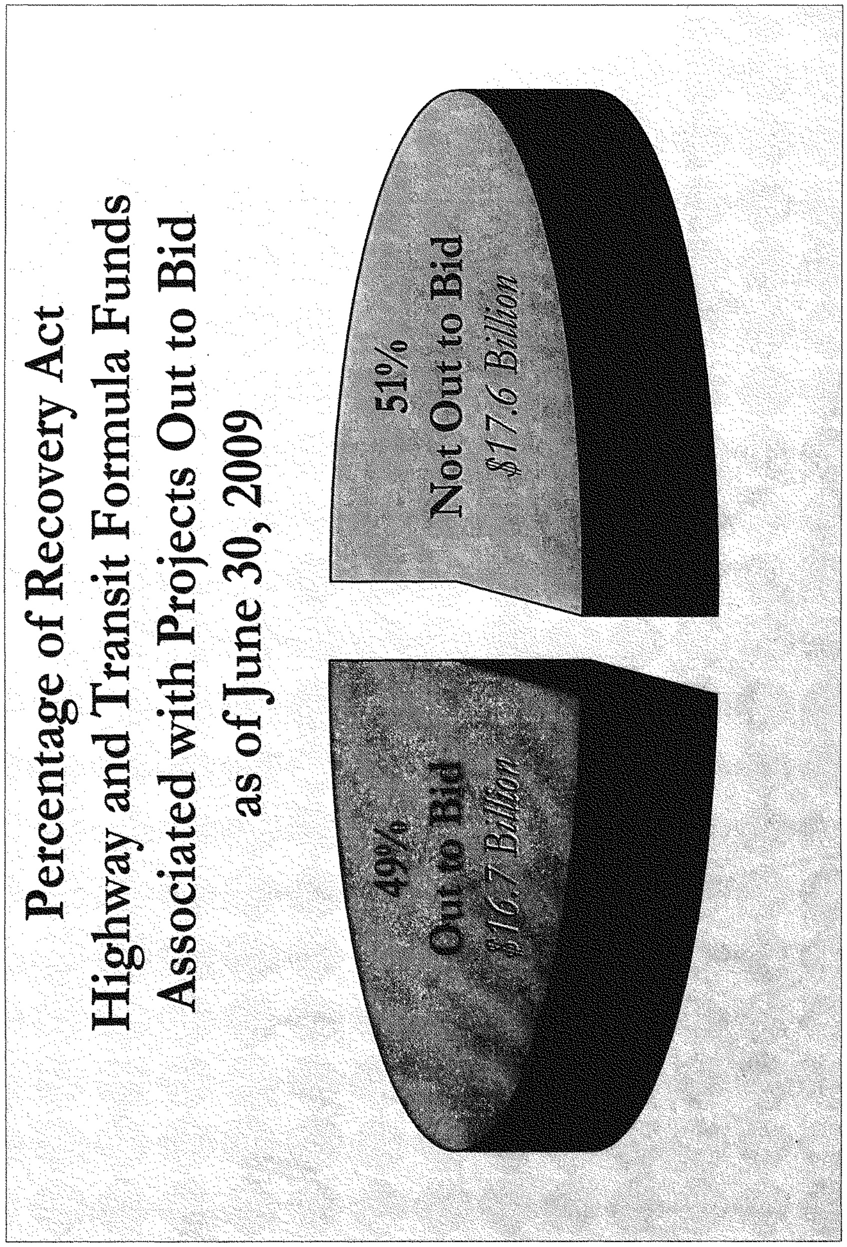
Step 13: FHWA outlays funds to State
(Within one to 15 days)

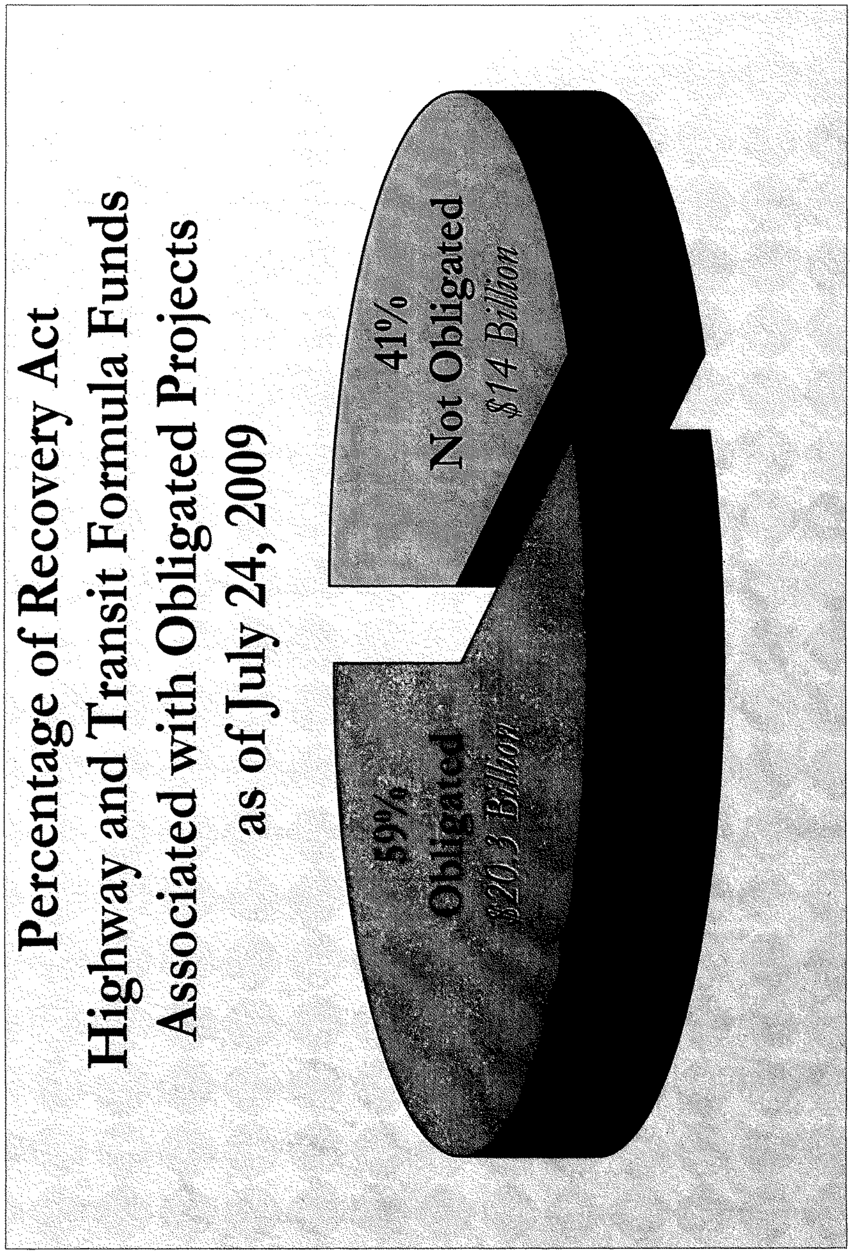
Federal Outlay

Total time between job creation and first Federal outlay: 60 to 90 days

Process for Ensuring Transparency and Accountability in Use of Highway Recovery Act Funds – Year 1




Percentage of Recovery Act
Highway and Transit Formula Funds
Associated with Projects Out to Bid
as of June 30, 2009
49%
Out to Bid
$16.7 Billion
51%
Not Out to Bid
$17.6 Billion


Percentage of Recovery Act
Highway and Transit Formula Funds
Associated with Obligated Projects
as of July 24, 2009
59%
Obligated
$20.3 Billion
41%
Not Obligated
$14 Billion

Example of Recovery Act Highway Project

State obligates project	**March 15**
State sends out invitation for bids	**April 1**
State reviews bids	**April 21 - May 10**
State awards contract	**May 11**
Contractor mobilizes and jobs are created	**May 12**
State issues notice to proceed	**June 1**
Works begins on project	**June 15**
State pays contractor for completed work	**July 1**
Contractor reports job creation to State	**July 10**
State submits reimbursement voucher to FHWA	**July 15**
State reports job creation to FHWA and T&I Committee	**July 20**
FHWA outlays funds to State for completed work	**July 25**

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

The American Recovery and Reinvestment Act of 2009 Transportation and Infrastructure Provisions Implementation Status as of July 17, 2009

Prepared for

The Honorable James L. Oberstar
Chairman

By the Committee on Transportation and Infrastructure
Majority Staff

For Release on Delivery
July 30, 2009
10:00 a.m.

THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009
TRANSPORTATION AND INFRASTRUCTURE COMMITTEE PROVISIONS

$64.1 BILLION FOR TRANSPORTATION AND INFRASTRUCTURE INVESTMENT

- The American Recovery and Reinvestment Act of 2009 (P.L. 111-5) ("Recovery Act") provides **$64.1 billion** of infrastructure investment to enhance the safety, security, and efficiency of our highway, transit, rail, aviation, environmental, flood control, inland waterways, public buildings, and maritime transportation infrastructure.

- The $64.1 billion of Federal transportation and infrastructure investment will **create or sustain more than 1.8 million jobs and $323 billion of economic activity**.

- Specifically, **the Recovery Act provides**:

  - **Highways and Bridges: $27.5 billion**
    including Federal-aid Highway formula ($26.8 billion), Indian Reservation Roads ($310 million), National Park Roads ($170 million), Forest Roads ($60 million), Refuge Roads ($10 million), Ferry Boats and Ferry Terminal facilities ($60 million), On-the-Job Training ($20 million), and Disadvantaged Business Enterprise bonding assistance ($20 million)

  - **Transit: $8.4 billion**
    including Transit Urban and Rural formula ($6.8 billion), Transit Greenhouse Gas and Energy Reduction program ($100 million), Fixed Guideway Modernization formula ($750 million), and New Starts grants ($750 million)

  - **Rail: $9.3 billion**
    including High-speed Rail and Intercity Passenger Rail grants ($8 billion), Amtrak Capital grants ($850 million), and Amtrak Safety and Security grants ($450 million)

  - **Surface Transportation: $1.5 billion**
    including highway, bridge, public transit, intercity passenger rail, freight rail, and port infrastructure grants

  - **Aviation: $1.3 billion**
    including Airport Improvement Program ($1.1 billion) and Federal Aviation Administration Facilities and Equipment ($200 million)

TRANSPORTATION AND INFRASTRUCTURE INVESTMENT CONTINUED

- **Environmental Infrastructure: $5.26 billion**
  including Clean Water State Revolving Fund loans and grants ($4 billion), Superfund cleanups ($600 million), Brownfields grants ($100 million), Watershed and Flood Prevention Operations ($290 million), Watershed Rehabilitation Program ($50 million), and International Boundary and Water Commission ($220 million)

- **U.S. Army Corps of Engineers: $4.6 billion**
  including Construction ($2 billion), Operation and Maintenance ($2.075 billion), Mississippi Rivers and Tributaries ($375 million), Formerly Utilized Sites Remedial Action Program ($100 million), Investigations ($25 million), and Regulatory Program ($25 million)

- **Federal Buildings: $5.575 billion**
  including High-Performance Green Federal buildings ($4.5 billion), repair, alteration, and construction of Federal buildings and courthouses ($750 million) and border stations and land ports of entry ($300 million), and Smithsonian Institution ($25 million)

- **Economic Development Administration: $150 million**
  including Economic Adjustment grants ($50 million) and Regional Economic Development Commissions (up to $50 million)

- **Emergency Management: $210 million**
  including Firefighter Assistance grants to construct non-Federal fire stations ($210 million)

- **Coast Guard: $240 million**
  including Bridge Alterations ($142 million) and construction of shore facilities and aid-to-navigation facilities and repair of vessels ($98 million)

- **Maritime Administration: $100 million**
  including Small Shipyard grants ($100 million)

- The Recovery Act generally **requires these funds to be invested in ready-to-go projects.** Section 1602 of the Recovery Act requires States and other grant recipients to give preference to projects that can be started and completed expeditiously, including a goal of using at least 50 percent of the funds for projects that can be initiated not later than 120 days (June 17, 2009) after the date of enactment.[1] In addition, several transportation programs have specific deadlines to invest a percentage of the funds. For example, for Federal-aid Highway formula funds, 50 percent of state-administered funds must be obligated within 120 days (June 30, 2009) of the date of apportionment and all funds must be obligated within one year (March 2, 2010) of the date of apportionment. For transit formula grants, 50 percent of funds must be obligated within 180 days (September 1, 2009) of the date of apportionment and all funds must be obligated within one year (March 5, 2010) of the date of apportionment.

- The Recovery Act **creates green collar jobs and invests in projects that decrease our dependence on foreign oil and address global climate change.** It provides $4.5 billion for High-Performance Green Federal buildings to fund projects that incorporate energy and water conservation elements, such as installing photovoltaic roofs and geothermal technology. In addition, the Recovery Act provides a significant investment in public transit, high-speed rail, intercity rail, and Amtrak projects to provide alternatives to traveling by car, and help public transit and intercity passenger rail providers increase the percentage of their fleets that are alternative fuel vehicles. Finally, the Recovery Act directs that 20 percent of each State's Clean Water State Revolving Fund allotment be used for investments in energy and water efficient techniques and technologies (i.e., green infrastructure).

- The Recovery Act **requires the steel, iron, and manufactured goods for these projects to be produced in the United States.**[2]

- The Recovery Act **creates family-wage construction and manufacturing jobs.**[3]

- The Recovery Act **requires the Governor of each State to certify that:**

  - **the State will request and use funds provided by the Recovery Act and the funds will be used to create jobs and promote economic growth;**[4]

  - **the State will maintain its effort with regard to State funding for transportation projects;**[5] **and**

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[1] American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, § 1602 (2009).
[2] *Id.* § 1605.
[3] *Id.* § 1606. The Recovery Act requires all laborers and mechanics employed by contractors on projects funded by this Act to be paid prevailing wages. *Id.*
[4] *Id.* § 1607. The Governor shall make this certification within 45 days (April 3, 2009) of the date of enactment. If the Governor does not make such certification, the State legislature may accept the funds. *Id.*

- **the Governor accepts responsibility that the infrastructure investment is an appropriate use of taxpayer dollars.**[6]

➢ Finally, the Recovery Act **ensures transparency and accountability by including regular reporting requirements to track the use of the funds, State investments, and the estimated number of jobs created or sustained. This information will be publicly available through Recovery.gov.** Pursuant to section 1512 of the Act, States and other direct grant recipients will provide quarterly reports (beginning October 10, 2009) to the Federal agency that provided the funds on the total amount of recovery funds received; the amount of such funds that were expended or obligated; a detailed list of all projects or activities for which recovery funds were expended or obligated, including the name and description of the project, an evaluation of the completion status of the project, and an estimate of the number of jobs created or sustained by the project; and, for infrastructure investments made by State and local governments, the purpose, total cost, and rationale of the agency for funding the infrastructure investment. Each Federal agency receiving these quarterly reports will make the information publicly available by posting the information on a website.[7]

➢ Section 1201 of the Recovery Act **requires additional reporting requirements for funds administered by the U.S. Department of Transportation.** Under this provision, each State and other grant recipient shall submit periodic reports to the U.S. Department of Transportation on the use of Recovery Act funds provided for highway, public transit, rail, surface transportation, airport, and maritime programs. The States and other grant recipients will report:

- the amount of Federal funds obligated and outlayed;
- the number of projects that have been put out to bid, and the amount of Federal funds associated with such projects;
- the number of projects for which contracts have been awarded, and the amount of Federal funds associated with such projects;
- the number of projects for which work has begun under such contracts and the amount of Federal funds associated with such contracts;
- the number of projects for which work has been completed under such contracts and the amount of Federal funds associated with such contracts;

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5 *Id.* § 1201. The certification shall include a statement identifying the amount of funds the State planned to expend from State sources as of the date of enactment during the period from the date of enactment through September 30, 2010. *Id.*

6 *Id.* § 1201. The certification shall include a description of the investment, the estimated total cost, and the amount of covered funds to be used, and shall be posted on a website and linked to the Recovery.gov website. *Id.*

7 *Id.* § 1512.

- the number of direct, on-project jobs created or sustained by the Federal funds provided and, to the extent possible, the estimated indirect jobs created or sustained in the associated supplying industries, including the number of job-years created and the total increase in employment since the date of enactment; and

- information tracking the actual aggregate expenditures by each grant recipient from State sources for projects eligible for funding under the program during the period from the date of enactment through September 30, 2010, compared to the level of expenditures that were planned to occur during such period as of the date of enactment.

The first periodic report is due not later than 90 days (May 18, 2009) after the date of enactment, and subsequent reports are due not later than 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act.[8]

READY-TO-GO INFRASTRUCTURE INVESTMENTS

- While certain infrastructure projects may require years of engineering and environmental analysis, followed by a lengthy contract award process, a subset of projects – such as projects involving rehabilitation and repair of existing infrastructure – can move much more quickly, with work beginning within 90 to 120 days.[9]

- The Recovery Act requires funds to be invested in ready-to-go projects. Priority will be given to projects that can be started and completed quickly.[10] For instance, State Departments of Transportation (DOTs) have a tremendous backlog of highway resurfacing needs. State DOTs often have open-ended contracts in place for resurfacing projects, which means that work could begin immediately upon receipt of additional funds. Similarly, many State DOTs have bridge deck overlay projects, in which the top two or three inches of concrete on the surface of the bridge (e.g., the deck) is replaced, which are ready-to-go.

- Even before the U.S. Department of Transportation apportioned formula funds to States, cities, and public transit agencies, State DOTs put out bids (typically for a period of 30 days) for ready-to-go projects. After receipt of the bids and contract award, work can begin on the project within an additional 30 days. **In this way, the Recovery Act has "put shovels in the ground" within 90 to 120 days of the date of enactment.**

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[8] *Id.* § 1201.

[9] The Federal Highway Administration's "August redistribution" of highway funds illustrates the ability of States to obligate additional funds quickly when they become available. In August of each year, States that cannot use their entire obligation authority return the unused authority to the Federal Highway Administration, which then redistributes it to States that can use the funds prior to the end of the fiscal year on September 30.

[10] *See id.* § 1602.

<u>ECONOMIC IMPACT:</u> **MORE THAN 1.8 MILLION JOBS AND $323 BILLION OF ECONOMIC ACTIVITY**

- The $64.1 billion of Federal infrastructure investment will **create or sustain more than 1.8 million jobs and $323 billion of economic activity**. Each $1 billion of Federal funds invested in infrastructure creates or sustains approximately 34,779 jobs and $6.2 billion in economic activity.[11]

- A national survey found that transportation construction contractors hire employees within three weeks of obtaining a project contract. These employees begin receiving paychecks within two weeks of hiring.

- In addition, this infrastructure investment will **increase business productivity** by reducing the costs of producing goods in virtually all industrial sectors of the economy. Increased productivity results in increased demand for labor, capital, and raw materials and generally leads to lower product prices and increased sales.

- The proposed investment will specifically help unemployed construction workers. The construction sector has lost 1,283,000 jobs since the recession began in December 2007. The unemployment rate in construction was **17.4 percent** in June 2009 – up 9.2 points since June 2008. This is the highest unemployment rate of any industrial sector. As of June 2009, **there were 1,601,000 unemployed construction workers** in the nation – that's 816,000 more unemployed construction workers than in June 2008, and 1,001,000 more than in June 2007. Within the overall construction sector, heavy and civil engineering construction employment is now the lowest it has been since April 1998.

- In contrast to the economic stimulus effect from tax cuts, virtually all of the stimulus effect from public infrastructure investment will be felt in the United States. Not only would the construction work be done here, but most transportation construction materials and equipment are manufactured in the United States, as well.[12]

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[11] These estimates are based on 2007 Federal Highway Administration (FHWA) data on the correlation between highway infrastructure investment and employment and economic activity, and assume a 20 percent State or local matching share of project costs. Some infrastructure programs have slightly higher or lower estimates of the number of jobs created or the economic activity generated per $1 billion of Federal funds invested. To enable easy comparisons among the elements of the bill, this document presumes the FHWA model for employment and economic activity. In the overwhelming majority of cases, the requirement for State or local matching funds would be waived under this proposal. Where appropriate, estimates of employment and economic activity have been adjusted to reflect these match waivers.

[12] Previous experience with using public infrastructure investment to stimulate the economy can be found with the Public Works Acceleration Act (P.L. 87-658), signed by President Kennedy on September 14, 1962. Under this program, a total investment of $1.8 billion ($880 million Federal investment and $920 million in local investment) generated 250,000 job-years. *See* Public Works Acceleration Act, 42 U.S.C. § 2641 (1962).

MINORITY-OWNED AND WOMEN-OWNED BUSINESS IMPACT:

- This investment will also help address the disproportionate effect that the increase in unemployment has had on people of color. In June 2009, the rate of unemployment for African Americans was 14.7 percent – 69 percent higher than the rate for whites. The unemployment rate for Hispanic or Latino Americans was 12.2 percent, 40 percent more than the rate for whites.

- Congress has established a national 10 percent aspirational program goal for firms certified as Disadvantaged Business Enterprises ("DBEs"), including minority- and women-owned businesses, with respect to highway, transit, aviation, and other infrastructure programs. As a general rule, States, cities, and infrastructure financing authorities are required to establish an annual DBE participation goal that reflects what DBE participation would be in the absence of discrimination. The DBE program applies to all Recovery Act transportation and infrastructure programs.

HIGHWAYS AND BRIDGES – $27.5 BILLION

Recovery Act:

1. **Provides $26.66 billion in funding for Federal-Aid Highway formula investments.**
2. **Provides $150 million for Puerto Rico and Territorial Highway Programs.**
3. **Provides $550 million for roads on Federal and Indian lands, including $170 million for National Park Roads, $310 million for Indian Reservation Roads, $60 million for Forest Roads, and $10 million for Refuge Roads.**
4. **Provides $60 million for competitive discretionary Ferry Boat capital grants to States.**
5. **Provides $20 million for On-the-Job Training.**
6. **Provides $20 million for Disadvantaged Business Enterprise bonding assistance.**

Distribution: Distributes Federal-aid Highway funds through a hybrid formula to States (50 percent through Surface Transportation Program formula and 50 percent apportioned via the FY 2008 obligation limitation ratio distribution). States must sub-allocate 30 percent of funds to local governments. Distributes National Park, Indian Reservation, Forest, and Refuge Road funds pursuant to existing administrative processes. Of all the funds provided to a State, three percent must be used for transportation enhancements. Formula funds must be apportioned by the Federal Highway Administration (FHWA) within 21 days (March 10, 2009) of the date of enactment.

Additional Uses of Funds: Expands uses to include stormwater runoff, passenger and freight rail, and port infrastructure projects.

Prioritization: Prioritizes funds on projects that could be completed in three years (February 17, 2012) and are in economically distressed areas of the State, except that, for Ferry Boat projects, priority shall be given to projects that can be completed within two years (February 17, 2011) of enactment.

Shovel-Ready Deadlines: Requires 50 percent of the funds apportioned to the States to be obligated within 120 days (June 30, 2009) after the date of apportionment. Funds not obligated in accordance with this requirement will be withdrawn and redistributed to other States that had no funds withdrawn. Funds suballocated to local governments are not subject to the 120-day redistribution. One hundred percent of funds must be obligated within one-year (March 2, 2010) of apportionment. Funds not obligated as of this date will be withdrawn and redistributed to other States that had no funds withdrawn. The Secretary of Transportation has authority to provide an extension of the one-year period if a State is experiencing extreme conditions.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to FHWA on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by the U.S. Department of Transportation and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[13]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[14]

Recovery Act Implementation: On March 2, 2009, eight days earlier than required by the Recovery Act, FHWA issued Federal-aid Highway formula apportionments to States. These apportionments are summarized on the Committee's website:
http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=930

Of the funds provided for the highway formula program, in the past five months, all 50 States, 4 Territories, and the District of Columbia have submitted and received approval for 5,808 projects totaling $17 billion, approximately 62 percent of the Recovery Act highway funds.[15] All 50 States met the Recovery Act requirement that at least one-half of funds apportioned to the States be obligated within 120 days (June 30, 2009) of the date of apportionment. According to submissions received by the Committee from States, as of June 30, 2009, 1,989 highway projects across the nation are underway, totaling $6.1 billion.

In addition to the formula programs, FHWA has moved ahead with discretionary programs funded by the Recovery Act. As of July 17, 2009, Federal Lands had authorized 31 projects totaling $103.6 million. Examples of other actions include:

- On March 30, 2009, FHWA issued a solicitation for the Ferry Boat capital grants program and received 102 applications by the May 15, 2009 deadline;

- On April 2, 2009, FHWA allocated the remainder of Refuge Road funds for repairing Fish and Wildlife Service roads;

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[13] American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, § 1201 (2009).
[14] *Id.* § 1512.
[15] This project total includes Federal-aid Highway formula investments and roads on Federal and Indian lands (total allocation: $27.4 billion). This total does not include the Ferry Boat capital grants program, On-the-Job training, and Disadvantaged Business Enterprise bonding assistance (total allocation: $100 million).

- On April 6, 2009, FHWA allocated $72.3 million to repair and rehabilitate roads and bridges in National Parks;

- On April 13, 2009, FHWA awarded the first Recovery Act Forest Highway Project ($1.06 million project in Medicine Bow National Forest, Wyoming);

- On April 22, 2009, FHWA allocated $150 million to the Bureau of Indian Affairs for improving roads and bridges within and providing access to Tribal lands, and $24 million to the Federal Lands Highway Division field offices for repairing National Park Service roads and bridges;

- On April 24, 2009, FHWA allocated $17 million to the National Parks Service for pavement preservation projects;

- On May 7, 2009, FHWA allocated $257,500 to Federal Lands Highway Division field offices for repairing National Park Service roads and bridges;

- On June 15, 2009, FHWA allocated $1.3 million to the Ramah Navajo Chapter and Pawnee Nation for repairing and improving Indian Reservation Roads;

- On July 9, 2009, FHWA awarded training grants worth $6.7 million in 14 States. These grants fund training centers and apprenticeships for underrepresented or disadvantaged people seeking careers in transportation, engineering, or construction; and

- On July 10, 2009, FHWA announced $60 million in Ferry Boat capital grants for 29 projects in 19 States and the Virgin Islands.

FHWA took many steps to ensure consistency and timeliness in reporting and implementation. The agency issued reporting guidance to States and hosted an implementation webcast that more than 400 people attended. On April 13, 2009, FHWA finalized its risk management plans for implementation and oversight of Recovery Act projects. In May 2009, FHWA completed its "Fraud Prevention and Awareness" training, presented by the U.S. Department of Transportation Office of the Inspector General and the Department of Justice, Anti-Trust Division. In June 2009, FHWA conducted risk management training for 750 Division Office staff. FHWA continues to conduct on-site project level reviews across the country, focusing on disadvantaged business enterprises, contract administration, and quality assurance.

The Recovery Act requires Governors, mayors, or chief executive officers to make specific certifications. On April 22, 2009, the Secretary of Transportation sent letters to the Governors of the States, Territories, and District of Columbia, regarding their section 1201 Maintenance of Effort certifications. The letters stated that the Recovery Act does not authorize the use of conditional or qualified certifications. Governors had until May 22, 2009, to amend their certifications, as needed. DOT reviewed these certifications and determined that all certifications meet the statutory requirements, as to form. FHWA is currently conducting a review of how States determined their planned and actual expenditures. DOT established a website where the agency posts submitted certifications, by State: http://testimony.ost.dot.gov/ARRAcerts/.

Economic Impact: Creates more than 765,000 jobs and $136 billion of economic activity.

TRANSIT – $8.4 BILLION

TRANSIT URBAN AND RURAL FORMULA GRANTS – $6.8 BILLION

Recovery Act: **Provides $6.8 billion in transit capital and operating grants for ready-to-go projects, including $5.44 billion using the current transit urban formula, $680 million using the current transit rural formula, and an additional $680 million to both urban and rural areas using the current Growing States and High Density States formula.**

Distribution: Distributes transit urban and rural formula funds to States, cities, and public transit agencies pursuant to existing statutory transit formulas under 49 U.S.C. § 5307, 49 U.S.C. § 5311, and 49 U.S.C. § 5340.

Prioritization: Formula funds must be apportioned by FTA within 21 days (March 10, 2009) of enactment.

Shovel-Ready Deadlines: Requires States, cities, and public transit agencies to obligate at least $3.4 billion (50 percent) of these funds within 180 days (September 1, 2009) of the date of apportionment. Funds not obligated in accordance with this requirement will be withdrawn and redistributed to other urbanized areas or States that had no funds withdrawn. One hundred percent of funds must be obligated within one-year (March 5, 2010) of apportionment. Funds not obligated as of this date will be withdrawn and redistributed to other urbanized areas or states that had no funds withdrawn. The Secretary of Transportation has authority to provide an extension of the one-year period if a State or urbanized area has encountered an unworkable bidding environment or other extenuating circumstances.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to FTA on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by the U.S. Department of Transportation and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[16]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and

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[16] *Id.* § 1201.

obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[17]

Recovery Act Implementation: Of the $6.8 billion apportioned on March 5, 2009, for the Transit Capital Assistance program, $2.8 billion for 334 projects in 48 States and 1 Territory has been awarded by FTA.

These apportionments are summarized on the Committee's website: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=930.

The deadline for submitting proposals to the Tribal Transit Program passed on May 22, 2009. Under this program, $17 million in Federal funding was made available to recognized Indian Tribes or Alaska Native villages, groups, or communities for capital expenditures including transit equipment and facilities. FTA received more than 80 proposals totaling $50 million.

FTA has also received $267.3 million of transfers from FHWA. Transfers occur when States and local authorities choose to use their Recovery Act highway funds for transit projects in their respective locale. As of July 17, 2009, four States (totaling $18.1 million) and 17 metropolitan areas (totaling $249.2 million) had opted to take advantage of this provision.

FTA also reached out to transit agencies to ensure accuracy and consistency in reporting and implementation by issuing detailed guidance. In March 2009, FTA held a seminar on the Recovery Act at the American Public Transportation Association Legislative Meeting. In April 2009, FTA participated in a webinar to provide transit agencies with up-to-date Recovery Act information. The agency additionally worked to finalize its risk management plan to ensure effective and efficient use of Recovery Act funds. FTA recently hosted a workshop titled "A Vision for Recovery: CFO Workshop on the State of the Economy", to provide public sector managers with ideas about overcoming the current economic downturn.

Economic Impact: Creates more than 189,000 jobs and $34 billion of economic activity.

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[17] *Id.* § 1512.

TRANSIT GREENHOUSE GAS AND ENERGY REDUCTION FUNDING – $100 MILLION

Recovery Act: Provides $100 million of discretionary transit capital grants to public transit agencies to reduce energy consumption or greenhouse gas emissions of their public transportation systems.

Distribution: Distributes transit energy funds to public transit agencies as discretionary grants.

Prioritization: Prioritizes funds for projects based on the total energy savings that are projected to result from the investment, and projected energy savings as a percentage of the total energy usage of the public transit agency.

Shovel-Ready Deadlines: Requires public transit agencies to obligate at least 50 percent of these funds within 180 days (September 1, 2009) of the date of allocation. Requires public transit agencies to obligate all of the funds within one year (March 5, 2009) of the date of allocation. The Secretary of Transportation may provide an extension of time if a city or State has encountered an unworkable bidding environment or other extenuating circumstances.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to FTA on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by the U.S. Department of Transportation and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and have been awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[18]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[19]

Recovery Act Implementation: On March 24, 2009, FTA issued notice in the Federal Register soliciting proposals for this program, the Transit Investments for Greenhouse Gas and Energy Reduction Grants (TIGGER Program). On April 8, 2009, FTA hosted a webinar for potential

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[18] *Id.* § 1201.
[19] *Id.* § 1512.

applicants to this program. Proposals were due May 22, 2009. FTA received 200 proposals identifying 450 possible projects and requesting over $1.56 billion in funding.

Economic Impact: Creates approximately 2,800 jobs and $500 million of economic activity.

FIXED GUIDEWAY INFRASTRUCTURE INVESTMENT – $750 MILLION

Recovery Act: Provides $750 million for transit fixed guideway modernization projects.

Distribution: Distributes funds through the existing fixed guideway modernization formula.

Prioritization: Formula funds must be apportioned by FTA within 21 days (March 10, 2009) of enactment.

Shovel-Ready Deadlines: Requires public transit agencies to obligate at least $375 million (50 percent) of these funds within 180 days (September 1, 2009) of the date of apportionment. Requires public transit agencies to obligate all of the funding within one year (March 5, 2010) of the date of apportionment. The Secretary of Transportation may provide an extension of time if a city or State has encountered an unworkable bidding environment or other extenuating circumstances.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to FTA on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by the U.S. Department of Transportation and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and have been awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[20]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[21]

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[20] *Id.* § 1201.
[21] *Id.* § 1512.

Recovery Act Implementation: On March 5, 2009, FTA announced the allocation of these formula funds. These apportionments are summarized on the Committee's website: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=930.

As of July 17, 2009, FTA has awarded 28 grants worth $334 million in 18 States and the District of Columbia.

Economic Impact: Creates approximately 20,900 jobs and $3.7 billion of economic activity.

TRANSIT NEW STARTS CONSTRUCTION – $750 MILLION

Recovery Act: Provides $750 million in transit capital grants for New Starts construction projects.

Distribution: Distributes New Starts project construction funds to public transit agencies pursuant to existing authority under SAFETEA-LU, FTA Full Funding Grant Agreements, and FTA Project Construction Grant Agreements. FTA would determine the distribution of funds through its existing competitive process.

Prioritization: Prioritizes funds on projects that are currently in construction or are able to obligate funds within 150 days (July 16, 2009) of enactment.

Shovel-Ready Deadlines: FTA must obligate 100 percent of the funds by September 30, 2010.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to FTA on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by the U.S. Department of Transportation and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and have been awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[22]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each

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[22] *Id.* § 1201.

calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[23]

Recovery Act Implementation: On May 11, 2009, FTA announced its allocation of New Starts funding for the following projects:

State	Urban Area	Project	Funding
Arizona	Phoenix	Central/Phoenix East Valley Light Rail	$36,000,000
California	Los Angeles	Metro Gold Line Eastside Extension	$66,740,000
Colorado	Denver	West Corridor Light Rail Transit	$40,000,000
New York	New York	Long Island Rail Road East Side Access	$195,410,000
New York	New York	Second Avenue Subway Phase I	$78,870,000
Oregon	Portland	South Corridor I-205/Portland Mall LRT	$32,000,000
Oregon	Springfield	Pioneer Parkway EmX BRT	$2,940,000
Texas	Dallas	Northwest/Southeast Light Rail Transit Minimum Operable Segment	$78,390,000
Utah	Salt Lake City	Mid Jordan Light Rail Transit	$90,890,000
Virginia	Northern Virginia	Dulles Corridor Metrorail – Extension to Wiehle Avenue	$77,260,000
Washington	Seattle	University Link Light Rail Transit Extension	$44,000,000
Total			**$742,500,000**

As of July 17, 2009, FTA has awarded four grants worth $234 million.

Economic Impact: Creates more than 50,000 jobs and $9 billion of economic activity. Furthermore, the additional $750 million of New Starts funding will make available an additional $1.5 billion of contingent commitment authority to enable FTA to sign more New Starts funding agreements for future transit construction projects.

[23] *Id.* § 1512.

RAIL – $9.3 BILLION

Recovery Act:

1. **Provides $1.3 billion for capital grants to Amtrak, of which $450 million shall be used by Amtrak for safety and security improvements.**

2. **Provides $8 billion for high-speed rail, intercity passenger rail, and congestion capital grants to States.**

Distribution: Distributes $1.3 billion of capital grants to Amtrak; distributes $8 billion of high-speed rail, intercity passenger rail, and congestion grants to States on a competitive basis to pay for the cost of capital projects, as provided for in section 501 of the Passenger Rail Investment and Improvement Act of 2008 (Division B of P.L. 110-432) and chapter 244 of Title 49, United States Code.

Prioritization: For capital grants to Amtrak, priority shall be given to projects for the repair, rehabilitation, or upgrade of railroad assets or infrastructure, and for capital projects that expand passenger rail capacity, including the rehabilitation of rolling stock. For high-speed rail, intercity passenger rail, and congestion grants, priority shall be given to projects that support the development of high-speed rail service.

Shovel-Ready Deadlines: For capital grants to Amtrak, the Secretary shall ensure that projects funded with economic recovery funds provided to Amtrak shall be completed within two years (February 17, 2011) of enactment. 100 percent of the funds must be obligated by September 30, 2010. For high-speed rail, intercity passenger rail, and congestion grants, 100 percent of the funds must be obligated by September 30, 2012.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to the Federal Railroad Administration (FRA) on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by the U.S. Department of Transportation and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and have been awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[24]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each

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[24] *Id.* § 1201.

calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[25]

Recovery Act Implementation: On March 19, 2009, FRA executed a grant agreement with Amtrak for $1.3 billion. Since then, Amtrak has approved approximately 700 projects totaling nearly $1.3 billion. These projects include:

- a project to replace a moveable bridge over the Niantic River in Connecticut ($100 million);
- a project to rehabilitate Amfleet cars ($58.5 million); and
- a project to repair the approximately 80-year-old Lamokin frequency converters in Pennsylvania, which form a key element of the Northeast Corridor's power supply system ($60 million).

On April 23, 2009, FRA provided its first disbursement under the Recovery Act to Amtrak in the amount of $23 million. As of July 17, 2009, Amtrak has allocated $136 million for 94 projects, including improving stations and upgrading electrical traction systems on the Northeast Corridor. For a list of other Amtrak projects to be funded by the Recovery Act, see: http://www.fra.dot.gov/us/press-releases/243.

Besides working with Amtrak to expand rail capacity and upgrade rail infrastructure, FRA received Amtrak's preliminary list of security projects funded by the Recovery Act. On April 9, 2009, FRA met with the Department of Homeland Security to establish a process to ensure consistent intra-agency procedures governing grants to fund Amtrak security projects.

FRA also selected a program management support contractor for the $8 billion high-speed rail and intercity passenger rail grant programs. On April 16, 2009, FRA announced its strategic plan for high speed rail. Recently, FRA completed a series of outreach workshops around the country. These workshops sought to solicit stakeholder and public input to assist in the development of guidance for this program.

On June 17, 2009, FRA issued interim guidance on the high-speed intercity passenger rail program, which describes the program's requirements and funding opportunities. Preference will be given to projects that, "Improve transportation mobility, options, service, convenience, safety and efficiency; Promote economic recovery and development, particularly in economically-distressed regions and communities through job creation and revitalization of industrial manufacturing capacity; Yield other public benefits and return on investment, including improved energy efficiency and independence, environmental quality, and livable communities; Ensure project success through effective project management, financial planning, and sustainable regional cooperation and partnerships; Achieve balance among and between different types of projects, geographic regions, technological innovations, and timeliness of project completion; Effectively leverage local, state, private sector and railroad resources and investments."

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[25] *Id.* § 1512.

Applications will be evaluated according to the following criteria: "improvements to intercity passenger service, as evidenced by increased ridership (measured in passenger-miles), increased on-time performance (measured in reductions in delays), reduced trip time, additional service frequency to meet anticipated or existing demand; cross-modal benefits, including positive impacts on air or highway traffic congestion, capacity, or safety; intermodal integration through provision of direct, efficient transfers among intercity transportation and local transit networks at train stations, including connections at airports, bus terminals, subway stations, ferry ports, and other connectors; promoting standardized equipment (or rolling stock), signaling, communications and power; and improving the overall state of repair and physical plant for intercity lines; improved freight or commuter rail operations, in relation to cost-sharing and equitable financial participation in the project's financing by freight and commuter rail carriers commensurate with the benefit expected to their operations."

States, groups of States, interstate compacts, and public agencies established by one or more States may apply for capital improvements grant funding. Public comments and pre-applications are due by July 10, 2009. Applications for "ready-to-go" projects, service planning activities, and appropriations-funded projects are due by August 24, 2009. Applications for service development programs are due by October 2, 2009.

During the week of July 13, 2009, FRA began its review of the 278 pre-applications the agency received. The pre-applications total $103 billion. The pre-application process will help FRA identify possible ineligible projects and allow potential applicants to receive feedback prior to submitting final applications.

To view a national map showing the designated high-speed rail corridors, see: http://transportation.house.gov/Media/file/Full%20Committee/Stimulus/Designated%20HSR%20Corridors%20at%20101905b%20(2).pdf.

To view descriptions of designated high-speed rail corridors, see: http://transportation.house.gov/Media/file/Full%20Committee/Stimulus/High%20Speed%20Rail%20Corridor%20Descriptions.pdf.

Economic Impact: Creates approximately 259,000 jobs and $46 billion of economic activity.

NATIONAL SURFACE TRANSPORTATION SYSTEM DISCRETIONARY GRANTS - $1.5 BILLION

The Recovery Act: Provides $1.5 billion to the Secretary of Transportation to make competitive discretionary grants for surface transportation projects that will have a significant impact on the Nation, a metropolitan area, or a region. Projects eligible for funding under this program include highway or bridge projects eligible under title 23, U.S.C.; public transportation projects eligible under chapter 53 of title 49, U.S.C., including investments in projects participating in the New Starts or Small Starts programs that will expedite the completion of those projects; passenger and freight rail transportation projects; and port infrastructure investments, including projects that connect ports to other modes of transportation and improve the efficiency of freight movement. The Secretary may use up to $200 million of the $1.5 billion to provide credit assistance to projects under the Transportation Infrastructure Finance and Innovation Act ("TIFIA") program.

Distribution: The Secretary of Transportation shall award discretionary grants to State and local governments or transit agencies based on project selection criteria to be published not later than 90 days (May 18, 2009) after the date of enactment. A grant funded under this program shall be not less than $20 million and not more than $300 million, although the Secretary may waive the minimum grant size for the purpose of funding significant projects in smaller cities, regions, or States. Not more than 20 percent of the funds under this program may be awarded to projects in a single State. The Secretary shall ensure an equitable geographic distribution of funds and an appropriate balance in addressing the needs of urban and rural communities.

Prioritization: Prioritizes funds on projects that require a contribution of Federal funds in order to complete an overall financing package, and to projects that are expected to be completed within three years (February 17, 2012) of the date of enactment.

Shovel-Ready Deadlines: Grant applications must be submitted not later than 180 days (November 14, 2009) after the publication of project selection criteria. The Secretary shall announce all projects selected for funding not later than one year (February 17, 2010) after the date of enactment.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to the Office of the Secretary of Transportation (OST) on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by the U.S. Department of Transportation and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and have been awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[26]

[26] *Id.* § 1201.

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[27]

Recovery Act Implementation: On May 18, 2009, the Department of Transportation published a notice of funding availability and solicitation of applications from applicants seeking Transportation Investment Generating Economic Recovery (TIGER) Discretionary Grants. Applications are due by September 15, 2009. On June 19, 2009, the Department published revised guidance, responding to public comments received on the interim guidance released on May 18, 2009.

Eligible projects include "capital investments in: (1) highway or bridge projects; (2) public transportation projects; (3) passenger and freight rail transportation projects; and (4) port infrastructure investments, including projects that connect ports to other modes of transportation and improve the efficiency of freight movement." Selection criteria include contributing to the medium- to long-term economic competitiveness of the nation and improving the condition of existing transportation facilities and systems, the quality of living and working environments through livable communities, energy efficiency and reducing greenhouse gas emissions, and the safety of U.S. transportation facilities. The Department plans to give priority to projects that are expected to quickly create and preserve jobs and stimulate rapid increases in economic activity, particularly projects that will benefit economically distressed areas.

State and local governments, including Territories, tribal governments, transit agencies, port authorities, and other political divisions of State or local governments, and multi-State or multi-jurisdíctional applicants are eligible to apply.

Economic Impact: Creates more than 41,000 jobs and $7 billion of economic activity.

[27] *Id.* § 1512.

AVIATION – $1.3 BILLION

AIRPORT IMPROVEMENT PROGRAM – $1.1 BILLION

Recovery Act: Provides $1.1 billion for airport capital improvements through the Airport Improvement Program (AIP).

Distribution: Distributes funds to airports through the existing AIP Discretionary Grants program. The Federal Aviation Administration (FAA) will determine the distribution of funds through its existing competitive process and national priority system.

Prioritization: Prioritizes funds on projects that can be completed within two years (February 17, 2011) of enactment, and serve to supplement and not supplant planned expenditures from airport-generated revenues or from other State and local funding sources.

Shovel-Ready Deadlines: The Secretary shall award grants totaling not less than 50 percent of the $1.1 billion within 120 days (June 17, 2009) of the date of enactment, and award grants for the remaining amounts not later than one year (February 17, 2010) after the date of enactment.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to the FAA on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by the U.S. Department of Transportation and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and have been awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[28]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[29]

Recovery Act Implementation: On March 3, 2009, the FAA issued guidance to airport sponsors explaining the requirements of the Recovery Act and the agency's planned process for distributing

[28] *Id.* § 1201.
[29] *Id.* § 1512.

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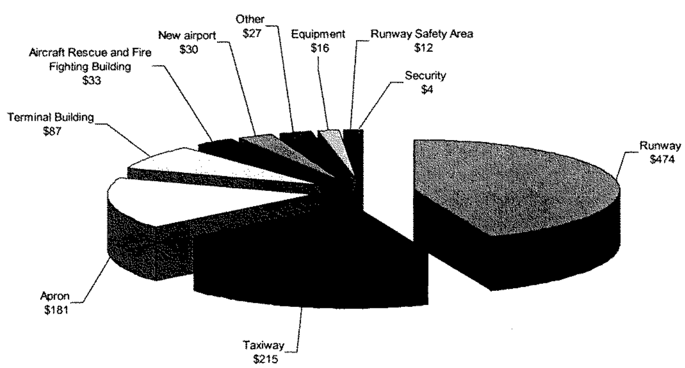
AIP funds provided by the Recovery Act. Additional guidance is being issued as program specifics are defined.

The chart below represents the FAA's current best estimate of the set of projects that will receive Recovery Act funding, by type of project. It is subject to change because the FAA may discover that some projects are not able to proceed and must be replaced, or as bids come in better than expected and, therefore, the FAA is able to add new projects to the list.

Anticipated American Recovery and Reinvestment Act Airport Projects by Category*
(millions)



Source: Federal Aviation Administration.

Examples of projects to be funded include:

- $7 million to rehabilitate a runway at Denver International Airport;
- $8 million to rehabilitate a taxiway at Tampa International Airport; and
- $4.5 million to improve a runway safety area at the Savannah/Hilton Head International Airport.

As of July 17, 2009, the FAA has identified almost all of the $1.1 billion in Recovery Act funding for 347 airport grant projects. After tentative funding allocations are announced, airport sponsors are able to solicit bids for construction. Sponsors then submit their grant applications to the FAA based on the bids received. After a grant application is approved, the funds will be obligated by the FAA.

As of July 17, 2009, the FAA has awarded grants for 247 AIP projects worth $856 million in 48 States and 2 Territories.

Economic Impact: Creates approximately 30,600 jobs and $5.5 billion of economic activity.

FAA FACILITIES & EQUIPMENT – $200 MILLION

Recovery Act: Provides $200 million for capital improvements to the FAA facilities.

Distribution: Funds may be distributed through the FAA's existing administrative processes or in the form of grants. Within 60 days (April 17, 2009) of the date of enactment, the FAA Administrator shall establish a procedure for applying for grants under this program, reviewing such applications, and awarding grants and cooperative and other transaction agreements under this program.

Prioritization: Prioritizes funds on projects that will be completed within two years (February 17, 2011) of the date of enactment.

Shovel-Ready Deadlines: The FAA must obligate 100 percent of funds by September 30, 2010.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to the FAA on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by the U.S. Department of Transportation and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and have been awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[30]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[31]

Recovery Act Implementation: The FAA plans to use Recovery Act funds to:

- upgrade power systems at 90 sites ($50 million)
- modernize 18 air route traffic control centers ($50 million)

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[30] *Id.* § 1201.
[31] *Id.* § 1512.

- replace three air traffic control towers and terminal radar approach control facilities ($80 million); and

- improve lighting, navigation, and landing equipment at 145 sites ($20 million).

For the latest list of approximately 300 projects for which tentative funding allocations have been announced, see:
http://www.faa.gov/recovery/programs/media/facilities_and_equipment_arra_funding.pdf.

As of July 17, 2009, the FAA has signed contracts worth $61 million for 242 Facilities and Equipment projects in 40 States, 1 Territory, and the District of Columbia. The FAA plans to obligate $129.47 million by September 2009, $158.16 million by March 2010, and $200 million by July 2010.

Economic Impact: Creates approximately 5,600 jobs and $990 million of economic activity.

ENVIRONMENTAL INFRASTRUCTURE – $5.26 BILLON

CLEAN WATER STATE REVOLVING FUND – $4 BILLION

Recovery Act: Provides an additional $4 billion to construct, rehabilitate, and modernize the nation's wastewater infrastructure through the Clean Water State Revolving Fund (SRF) program. Within the existing Clean Water SRF allocation to States, direct individual State infrastructure financing authorities to: (1) utilize 50 percent of the capitalization grants for additional subsidizations in the form of negative interest loans, principle subsidization, or grants; and (2) utilize 20 percent of the capitalization grant for investment in green infrastructure projects, environmentally innovative activities, or projects or technologies that use energy and water efficient plans or components.

Distribution: Distributes $4 billion for the Clean Water SRF pursuant to the existing Clean Water Act distribution formula.

Under the Recovery Act, State infrastructure financing authorities are required to utilize 50 percent of the capitalization grant for additional subsidizations in the form of negative interest loans, principal forgiveness, or grants to increase the overall affordability of wastewater infrastructure projects.

In addition, the Recovery Act requires State infrastructure financing authorities to utilize 20 percent of the capitalization grant for investment in green infrastructure projects, water or energy efficiency improvements, or environmentally innovative activities.

Prioritization: Notwithstanding the priority rankings projects would otherwise receive under the program, prioritizes economic recovery funds on projects on a State priority list that are ready to proceed to construction within 12 months (February 17, 2010) of enactment.

Shovel-Ready Deadlines: Requires State infrastructure financing authorities to award contracts for projects or proceed to construction within one year (February 17, 2010) of the date of enactment. Funds for projects not under contract or under construction within one year will be withdrawn by the Environmental Protection Agency (EPA) Administrator and reallocated among the remaining States.

Transparency and Accountability Requirements: EPA must submit a general plan for the expenditure of Recovery Act funds to the Committees on Appropriations within 30 days (March 19, 2009) of enactment of the Recovery Act. EPA must submit a report containing detailed project level information associated with the general plan within 90 days (May 18, 2009) of enactment of the Recovery Act.[32]

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[32] *Id.* § 701.

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[33]

Recovery Act Implementation: On March 2, 2009, EPA issued initial guidance on the requirements of the Recovery Act, and how EPA plans to use Recovery Act funds to make capitalization grants for the Clean Water SRF. On March 12, 2009, EPA posted Clean Water SRF allotments by state. These allotments are summarized on the Committee's website: http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=930.

On April 1, 2009, EPA's Acting Assistant Administrator for the Office of Water signed a nationwide waiver of the Buy American provision of the Recovery Act for eligible projects under the Clean Water SRF "for which debt was incurred on or after October 1, 2009 and before February 17, 2009," (See 74 Fed. Reg. 157220). Projects eligible for this limited waiver of the Buy American provisions would include: (1) specific designs; (2) projects that may have solicited bids from prospective contractors, and (3) projects that may have awarded construction contracts (and, in some cases, projects that began construction) prior to February 17, 2009.

On April 3, 2009, the Office of Management and Budget (OMB) released initial administrative guidance for the implementation of the Recovery Act, including guidance for the implementation of the Buy American provision of section 1605 of the Recovery Act. This guidance document provides additional details on how Federal agencies, including EPA, should interpret the Buy American provision, and how such provision should be interpreted by the individual States that receive capitalization grants for the Clean Water SRF under the Recovery Act.

On April 29, 2009, EPA's Office of Wastewater Management and Ground Water and Drink Water issued additional guidance on the implementation of the Buy American provisions for wastewater infrastructure. This guidance document provides a specific, step-by-step process for obtaining a waiver of the Buy American provision of the Recovery Act in instances where EPA determines that "(1) applying these requirements would be inconsistent with the public interest; (2) iron, steel, and the relevant manufactured goods are not produced in the United States in sufficient and reasonably available quantities and of satisfactory quality; or (3) inclusion of iron, steel, and manufactured goods produced in the United States will increase the cost of the overall project by more than 25 percent." This guidance provides specific materials for the implementation of the Buy American provisions of the Recovery Act, including sample Buy American Contract language for contractors and subcontractors, draft Federal Register notices for waivers of the Buy American provisions, and a checklist for a waiver request.

EPA also published three nationwide waivers of the Buy American provisions for projects funded under the Recovery Act. The first nationwide waiver, published on April 7, 2009, provides a nationwide waiver of the Buy American provisions for projects where debt was incurred on or after

[33] *Id.* § 1512.

October 1, 2008, and before February 17, 2009 (the date of enactment). Under existing law, the Clean Water SRF can be used as leverage to refinance debt obligations incurred for the constriction of wastewater treatment projects at a lower rate. This waiver allows individual States to continue this practice, but not require the retroactive application of the Buy American provisions for projects that may have already been underway. Projects eligible for this nationwide waiver would have "specified designs", "may have solicited bids from prospective contractors", may have "awarded construction contracts, and in some cases began construction, prior to February 17, 2009."

The second nationwide waiver was published on June 2, 2009, and provides a waiver of the Buy American provisions for projects that solicited bids on or after October 1, 2008, and prior to February 17, 2009. Similar to the previous waiver, this waiver would prohibit the retroactive application of the Buy American provisions to projects for which bids had already been submitted prior to the enactment of the Recovery Act.

The third nationwide waiver, published on June 2, 2009, provides a waiver of the Buy American provisions for "de minimis" incidental components of projects financed through the Recovery Act. This waiver would allow for the use of non-domestic iron, steel, and manufactured goods in a project provided that such components "comprise no more than 5 percent of the total cost of materials used in and incorporated into a project."

Of the $4 billion in Recovery Act funds apportioned for the Clean Water SRF, EPA has awarded $3.35 billion in capitalization grants to States, representing approximately 83 percent of the total apportionment, as of July 28, 2009. Nineteen States has put out to bid 195 Clean Water SRF projects totaling $512 million, as of June 30, 2009.

Economic Impact: Creates approximately 111,000 jobs and $20 billion of economic activity.

SUPERFUND – $600 MILLION

Recovery Act: Provides $600 million for the Superfund program, a comprehensive program to clean up the nation's worst abandoned or uncontrolled hazardous waste sites.

Distribution: Distributes $600 million through existing EPA Superfund program.

Prioritization: EPA selects projects for Recovery Act funding based on a variety of factors, including: construction readiness; human and ecological risk; and opportunities to reduce project costs and schedules.

EPA anticipates that the benefits of applying Recovery Act funds to the Superfund program will include: acceleration of existing projects; investment in new projects; faster return of sites to productive use; and potential acceleration of "green remediation" technology.

Shovel-Ready Deadlines: EPA must obligate 100 percent of funds by September 30, 2010.

Transparency and Accountability Requirements: EPA must submit a general plan for the expenditure of Recovery Act funds to the Committees on Appropriations within 30 days (March 19, 2009) of the date of enactment of the Recovery Act. EPA must submit a report containing detailed project level information associated with the general plan within 90 days (May 18, 2009) of enactment of the Recovery Act.[34]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[35]

Recovery Act Implementation: On April 15, 2009, the EPA announced its distribution of $600 million in new Superfund cleanup funding through the Recovery Act. Funds will be used to initiate new construction or accelerate ongoing cleanup activities at Superfund sites, boosting local economies and protecting public health and the environment. The sites receiving Recovery Act funds are:

State	Location	Project
California	Clear Oaks	Sulphur Bank Mercury Mine
California	Davis	Frontier Fertilizer
California	Redding	Iron Mountain Mine
Colorado	Central City	Clear Creek
Colorado	Del Norte	Summitville Mine
Delaware	New Castle	Standard Chlorine
Florida	Clermont	Tower Chemical
Florida	Marianna	United Metals
Florida	Pensacola	Escambia Wood
Georgia	Brunswick	Brunswick Wood
Georgia	Fort Valley	Woolfolk
Idaho	Kellogg	BH Mining; Basin Property Remediation Program
Illinois	Waukegan	Outboard Marine Corporation
Indiana	Evansville	Jacobsville Neighborhood Soil Contamination Soil
Indiana	Kokomo	Continental Steel
Kansas	Galena	Cherokee County
Massachusetts	Lowell	Silresim Chemical
Massachusetts	Mansfield/Foxborough	Hatheway & Patterson
Massachusetts	New Bedford	New Bedford Harbor

[34] *Id.* § 701.
[35] *Id.* § 1512.

State	Location	Project
Minnesota	Minneapolis	South Minneapolis Residential Soil Contamination
Missouri	Fredericktown	Madison County
Missouri	Joplin	Oronogo-Duenweg
Montana	Near Helena	Upper Ten Mile
Nebraska	Omaha	Omaha Lead
New Hampshire	Kingston	Ottati & Goss
New Jersey	Camden & Gloucester County	Welsbach
New Jersey	Florence	Roebling Steel
New Jersey	Galloway	Emmell's Landfill
New Jersey	Morganville	Imperial Oil
New Jersey	Pleasantville & Egg Harbor	Price Landfill
New Jersey	Sayreville	Horseshoe Road
New Jersey	South Plainfield	Cornell Dubilier
New Jersey	Vineland	Vineland Chemical
New Mexico	Grants	Grants Chlorinated
New York	Garden City	Old Roosevelt Field
New York	Port Jefferson	Lawrence Aviation
North Carolina	Roxboro	GMH
North Carolina	Statesville	Sigmons Septic
North Dakota	Southeast	Arsenic Trioxide
Oklahoma	Ottawa County	Tar Creek
Pennsylvania	Havertown	Havertown
Pennsylvania	Huff's Church	Crossley Farm
South Dakota	Near Lead	Gilt Edge
Texas	Longview	Garland Creosoting
Utah	Bountiful	Bountiful W/C
Utah	Eureka	Eureka Mills
Vermont	Stafford	Elizabeth Mine
Virginia	Portsmouth	Atlantic Wood Industries
Washington	Bainbridge Island	Wyckoff/Eagle Harbor
Washington	Tacoma	Commencement Bay

As of July 17, 2009, EPA has provided $409 million to existing contracts for 33 projects in 22 States.

Economic Impact: Creates approximately 16,700 jobs and $3 billion of economic activity.

BROWNFIELDS – $100 MILLION

Recovery Act: **Provides $100 million for EPA's Brownfields Discretionary Grant Program.**

Distribution: Distributes funds to States, cities, and redevelopment agencies through the existing EPA Brownfields Discretionary Grant program for site assessments, remediation and cleanup grants, and to capitalize state Brownfield revolving loan programs as authorized under section 104(k) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (P.L. 96-510), as amended by the Brownfields Revitalization and Environmental Restoration Act of 2001 (P.L. 107-118).

Prioritization: On April 10, 2009, EPA announced the criteria for funding decisions under the Brownfields Revolving Loan Funds program, including the demonstrated ability of the revolving loan fund to make loans and subgrants with Recovery Act funds "quickly" (i.e., "shovel-ready" projects) for cleanups that can be started and completed expeditiously, and the demonstrated ability to use supplemental revolving loan funds in a manner that maximizes job creation.

Shovel-Ready Deadlines: EPA must obligate 100 percent of funds by September 30, 2010.

Transparency and Accountability Requirements: EPA must submit a general plan for the expenditure of Recovery Act funds to the Committees on Appropriations within 30 days (March 19, 2009) of the date of enactment of the Recovery Act. EPA must submit a report containing detailed project level information associated with the general plan within 90 days (May 18, 2009) of the date of enactment of the Recovery Act.[36]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[37]

Recovery Act Implementation:

Environmental Job Training ($5 million): On March 19, 2009, the EPA issued a request for applications from eligible governmental entities and nonprofit organizations to provide environmental job training projects that will facilitate job creation in the assessment, remediation, or preparation of Brownfields sites for sustainable reuse. The closing date for receipt of applications was April 20, 2009.

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[36] *Id.* § 701.
[37] *Id.* § 1512.

Brownfields Revolving Loan Funds ($40 million): On April 10, 2009, EPA published a notice in the Federal Register (74 Fed. Reg. 16386) that the agency was accepting requests for approximately $40 million for supplemental funding of current Brownfields revolving loan funds established under section 104(k)(4) of the Superfund law. Applications for supplemental Brownfields revolving loan funds were submitted to EPA Regional offices by May 1, 2009.

Brownfields Environmental Site Assessment and Cleanup Grants ($55 million): On May 8, 2009, EPA announced the availability of $111.9 million in Brownfields environmental site assessment and cleanup grants for 252 individual applicants. Consistent with EPA's prior announcement, this funding represents grant awards from the FY2009 regular appropriations for the Brownfields site assessment and cleanup grant program, as well as the funding received under the Recovery Act for these purposes. In all, 252 applicants were selected to receive 389 grants. Specific information on the awards can be viewed at: http://www.epa.gov/brownfields/grant_announce/recovact5509.pdf.

As of July 17, 2009, EPA has awarded grants or provided funds for existing grants or contracts worth $11 million for 21 Brownfields projects.

Economic Impact: Creates approximately 2,800 jobs and $500 million of economic activity.

WATERSHED REHABILITATION PROGRAM – $50 MILLION

Recovery Act: Provides $50 million for the rehabilitation of deficient flood damage reduction projects under the Watershed Rehabilitation Program.

Distribution: Funds will be distributed to rehabilitate aging flood control structures nationwide.

Prioritization: Funds must be allocated to projects that can be fully funded and completed with the funds appropriated in the Recovery Act, and funds must be allocated to activities that can commence promptly following enactment of the Recovery Act.

Shovel-Ready Deadlines: The Natural Resources Conservation Service (NRCS) must obligate 100 percent of funds by September 30, 2010.

Transparency and Accountability Requirements: Each recipient that receives Recovery Act funds from a Federal agency must submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[38]

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[38] *Id.* § 1512.

Recovery Act Implementation: On April 6, 2009, NRCS announced the distribution of approximately $45 million in Recovery Act funds through this program to rehabilitate the following 27 dams:

State	Project	Funding
Arkansas	Poteau River 5	$1,495,000
Georgia	Little Sandy & Trail 1	$840,000
Georgia	Marbury 22	$300,000
Georgia	Sandy Creek 15	$1,975,000
Georgia	Sandy Creek 23	$1,675,000
Georgia	South River 4	$1,375,000
Georgia	South River 10	$150,000
Kansas	Switzler Creek 7	$1,135,000
Massachusetts	Su-As-Co MA301	$2,357,400
Massachusetts	Su-As-Co MA303	$2,007,000
Missouri	Lost Creek B-2	$400,000
Nebraska	Papio W-3	$1,170,000
New York	Little Choconut 2	$344,200
New York	Conewango 3	$1,200,000
New York	Conewango 6	$1,200,000
Oklahoma	Cottonwood Creek 15	$3,610,000
Oklahoma	Sallisaw Creek 18	$4,160,000
Oklahoma	Upper Clear Boggy Creek 33	$1,010,000
Oklahoma	Upper Clear Boggy Creek 34	$960,000
Oklahoma	Upper Clear Boggy Creek 35	$840,000
Oklahoma	Washita–Sugar Creek L-43	$1,645,000
Oklahoma	Washita–Sugar Creek L-44	$1,790,000
Texas	Calaveras Creek 6	$2,373,000
Texas	Plum Creek 5	$2,452,000
Virginia	Pohick Creek 2	$2,195,000
Virginia	Pohick Creek 3	$2,160,000
West Virginia	Potomac–New Creek-Whites 14	$4,050,000
Total		**$44,868,600**

To view a map of projects, see: http://www.usda.gov/recovery/map/.

As of July 17, 2009, NRCS has obligated $16 million to rehabilitate 26 aging flood control structures throughout the country.

Economic Impact: Creates approximately 1,400 jobs and $250 million of economic activity.

Watershed and Flood Prevention Operations – $290 Million

Recovery Act: Provides $145 million for watershed operations, and $145 million for floodplain easements.

Distribution: Funds will be distributed by NRCS to improve water quality, increase water supply, decrease soil erosion, and improve fish and wildlife habitat in rural communities. Other major benefits from these projects include improve community safe and health, flood mitigation, sediment control, and enhanced fish and wildlife habitat.

Prioritization: Funds must be allocated to projects that can be fully funded and completed with the funds appropriated in the Recovery Act, and funds must be allocated to activities that can commence promptly following enactment of the Recovery Act.

Shovel-Ready Deadlines: NRCS must obligate 100 percent of funds by September 30, 2010.

Transparency and Accountability Requirements: Each recipient that receives Recovery Act funds from a Federal agency must submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[39]

Recovery Act Implementation: On April 16, 2009, NRCS announced the distribution of $84.8 million to State and local governments, and on June 2, 2009, NRCS announced the second phase of watershed operations totaling an additional $42.3 million. This funding is pursuant to NRCS's authority for watershed operations under the Watershed Protection and Flood Prevention Act of 1954 (P.L. 83-566), and designated watersheds authorized by the Flood Control Act of 1944 (P.L. 78-534). NRCS is directing technical and financial assistance available through this funding toward projects that are ready to begin and that will relieve stress on local economies through the creation of over 1,400 jobs. To view a map of projects, see: http://www.usda.gov/recovery/map/. Regarding funding for floodplain easements, NRCS received over 4,200 applicants, representing more than 478,000 acres of land and totaling more than $1.4 billion. Of those applicants, the Secretary selected 289 easements covering more than 41,000 acres in 36 States.

As of July 17, 2009, NRCS has obligated $26 million for 163 total projects.

Economic Impact: Creates approximately 8,000 jobs and $1.4 billion of economic activity.

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[39] *Id.* § 1512.

INTERNATIONAL BOUNDARY AND WATER COMMISSION – $220 MILLION

Recovery Act: **Provides $224 million to the United States Section of the International Boundary and Water Commission (IBWC) to carry out immediate repair and rehabilitation requirements of existing water supply infrastructure along the U.S.-Mexican border.**

Distribution: These funds will allow rehabilitation of approximately 170 miles of deficient levees, including Rio Grande levees as well as levees in the interior floodways in the Lower Rio Grande Flood Control Project.

Prioritization: The IBWC has prioritized Recovery Act funds for projects necessary to raise levee heights and make structural repairs to ensure the levees provide adequate protection during the 100-year flood, a flood that has a 1 percent chance of occurring in any given year. The levee rehabilitation is intended to meet standards established by the Federal Emergency Management Agency (FEMA).

Shovel-Ready Deadlines: IBWC must obligate 100 percent of funds by September 30, 2010.

Transparency and Accountability Requirements: IBWC must submit a detailed spending plan for funds appropriated under the Recovery Act to the Committees on Appropriations within 90 days (May 18, 2009) of enactment of the Recovery Act.[40]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[41]

Recovery Act Implementation: On March 9, 2009, IBWC released a list of projects to be undertaken with the Recovery Act funds.

[40] *Id.* Title XI.
[41] *Id.* § 1512.

Upper Rio Grande River

Location	Project
Anapra	West Levee
Borderland Bridge to near Country Club Bridge	East Levee
Downstream from Ysleta-Zaragoza Port of Entry to Fort Quitman	U.S. Levee
Fabens area	U.S. Levee
Fort Hancock area	U.S. Levee
Hatch Siphon to Bignell Arroyo	West Levee
Mesilla Dam to Vinton Bridge	East Levee
Rio Grande Power Plant to American Dam	East Levee
Shalem Bridge in Doña Ana County to near Country Club Bridge in El Paso County	West Levee
Vinton Bridge to Borderland Bridge	East Levee/Canutillo Floodwall

Lower Rio Grande River

Location	Project
Divisor Dike to Hidalgo-Cameron County line	Arroyo Colorado
Granjeño to Hidalgo-Cameron County line	North Levee of the Main and North Floodways
Hidalgo Loop Levee Phase I and II	U.S. Rio Grande Levee
Lateral A to Retamal Dam	U.S. Rio Grande Levee
Mission Levee and Culverts at Edinburg Pump	U.S. Rio Grande Levee
Start of floodway to Baseline Road	South Levee of the Main and North Floodways

As of July 15, 2009, IBWC has obligated $22.5 million for four projects funded by the Recovery Act. These obligations include $6.6 million in Dona Ana County, New Mexico, and $12.7 million in Hidalgo County, Texas, to rehabilitate deficient levees along the Rio Grande River. IBWC expects all geo-technical analysis and design and the remaining environmental documentation will be completed by October 2009. IBWC anticipates that construction will begin this fall and all construction will be awarded by the end of 2009.

<u>Economic Impact:</u> Creates approximately 6,100 jobs and $1.1 billion of economic activity.

U.S. ARMY CORPS OF ENGINEERS – $4.6 BILLION

Recovery Act:

1. **Provides an additional $2 billion for the Corps of Engineers Construction program;**
2. **Provides an additional $2.075 billion for the Corps of Engineers Operation and Maintenance program;**
3. **Provides an additional $375 million for the Corps of Engineers Mississippi River and Tributaries program;**
4. **Provides an additional $100 million for the Corps of Engineers Formerly Utilized Remedial Action Program;**
5. **Provides an additional $25 million for the Corps of Engineers Investigations program; and**
6. **Provides an additional $25 million for the Corps of Engineers Regulatory Program.**

Distribution: Distributes funds to the Corps of Engineers (Corps), which will determine the distribution of funds through its existing project selection process. Water resources development projects include navigation, flood control, hurricane and storm damage reduction, shoreline protection, hydroelectric power, recreation, water supply, environmental infrastructure, environmental protection, restoration and enhancement, and fish and wildlife mitigation projects.

Prioritization: Requires that funds be used for programs, projects, or activities (or elements of programs, projects, or activities) that can be completed within the funds made available in the Recovery Act, and that will not require new budget authority to complete.

Shovel-Ready Deadlines: The Corps must obligate 100 percent of the funds by September 30, 2010.

Transparency and Accountability Requirements: Beginning 45 days (April 3, 2009) after the date of enactment of the Recovery Act, the Corps must submit quarterly reports to the Committees on Appropriations detailing the allocation, obligation, and expenditures of these funds.[42]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and

[42] *Id.* Title IV.

obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[43]

Recovery Act Implementation: On April 28, 2009, the Corps posted its lists of Civil Works work packages funded by the Recovery Act. The Corps selected and OMB approved approximately 178 Construction work packages, 892 Operation and Maintenance work packages, 45 Mississippi River and Tributaries work packages, 9 Formerly Utilized Remedial Action Program work packages, and 67 Investigations studies and work packages. Selected projects are geographically distributed across the United States to provide the nation with inland and coastal navigation, environmental, flood risk management, hydropower, and recreation improvements. On May 1, 2009, initial funds were assigned to selected Civil Works projects to initiate Recovery Act funded work. Additional funds will be assigned to those projects on a weekly basis as needed for contract obligations. On May 8, 2009, the Corps circulated its draft Civil Works Agency Recovery Act Plan for review.

As of July 1, 2009, the Corps has committed funds for 72 projects (totaling $226 million) for its Construction program, 427 projects (totaling $231 million) for its Operation and Maintenance program, 29 projects (totaling $34 million) for its Mississippi River and Tributaries program, three projects (totaling $40 million) for its Formerly Utilized Remedial Action Program, 20 projects (totaling $2.8 million) for its Investigations program, and 3 projects (totaling $1.1 million) for its Regulatory Program.

As of July 17, 2009, the Corps has committed $693.7 million in funds, representing 15 percent of the total amount of Recovery Act funds allocated to the Corps. Small businesses account for 73 percent of the total number of contract actions and 35 percent of the total dollar amount obligated.

For the latest list of announced projects, see:
http://www.usace.army.mil/recovery/Pages/Projects.aspx.

To view a national map of Corps projects, see:
http://www.usace.army.mil/recovery/Pages/ProjectLocationsbeta.aspx.

Economic Impact: Creates approximately 139,000 jobs and $23 billion of economic activity.

[43] *Id.* § 1512.

FEDERAL BUILDINGS – $5.575 BILLION

GENERAL SERVICES ADMINISTRATION – $5.55 BILLION

Recovery Act:

1. **Provides $4.5 billion to convert General Services Administration (GSA) Federal buildings to High-Performance Green Buildings as defined in section 401 of P.L. 110-140, the Energy Independence and Security Act of 2007;**

2. **Provides $750 million for repair, alteration, and construction of Federal buildings and U.S. courthouses, and according to Joint Explanatory Statement of the Committee of Conference, of which $450 million shall be for a new headquarters for the Department of Homeland Security; and**

3. **Provides $300 million for border stations and land ports of entry.**

Distribution: Distributes funds through existing GSA prospectus and non-prospectus programs. GSA will determine the distribution of funds through its existing administrative processes.

Prioritization: According to Joint Explanatory Statement of the Committee of Conference, with regard to funding for High-Performance Green Buildings, funds are focused on projects that will, throughout the life-cycle of the building, reduce energy, water, and material resource use, improve indoor environmental quality, and reduce negative impacts on the environment, including air and water pollution and waste generation.[44] With regard to funds that are used for new U.S. courthouse construction, GSA is advised to consider projects for which the design provides courtroom space for senior judges for up to 10 years from eligibility for senior status, not to exceed one courtroom for every two senior judges.

Shovel-Ready Deadlines: Requires GSA to obligate not less than $5 billion of the funds by September 30, 2010, and the remainder not later than September 30, 2011.

Transparency and Accountability Requirements: GSA must submit a detailed plan, by project, regarding the use of funds made available in this Act to the Committees on Appropriations within 45 days (April 3, 2009) of enactment of the Recovery Act, and shall provide notification to said Committees within 15 days prior to any changes regarding the use of these funds.[45]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each

[44] *See* Energy Independence and Security Act of 2007, Pub. L. No. 110-140, § 401 (2007).
[45] American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, Title V (2009).

calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[46]

Recovery Act Implementation: The Recovery Act provides $5.55 billion to GSA, including $4.5 billion to convert Federal buildings to high-performance green buildings, $750 million for repair, alteration, and construction of Federal buildings and U.S. courthouses (of which $450 million is for a new headquarters for the Department of Homeland Security), and $300 million for border stations and land ports of entry. GSA has established a national Program Management Office to oversee Recovery Act projects. The Office is now staffed and operational. As of July 10, 2009, GSA has awarded contracts worth $325 million in Federal Buildings Recovery Act funds for 85 projects.

On March 31, 2009, GSA released a plan detailing how it will spend the $5.55 billion provided by the Recovery Act. GSA selected the best projects for accomplishing the goals of the Recovery Act based on two over-arching criteria:

- the ability of the project to put people back to work quickly; and
- transforming Federal buildings into high-performance green buildings.

The plan comprises hundreds of projects in all 50 States, Washington, DC, and two U.S. Territories, including:

- constructing 10 Federal buildings and courthouses in five States, Washington, DC, and Puerto Rico ($733.7 million);
- constructing five border stations and land ports of entry in five States on the U.S.-Mexico and U.S.-Canada borders ($300 million);
- modernizing 43 Federal buildings and courthouses in 20 States, Washington, DC, and Puerto Rico with major projects to convert facilities to high-performance green buildings ($3.17 billion);
- modernizing 194 Federal buildings and courthouses in 48 States, Washington, DC, Puerto Rico, and the Virgin Islands with limited-scope projects to convert facilities to high-performance green buildings ($806.9 million); and
- modernizing Federal buildings and courthouses with small projects to convert facilities to high-performance green buildings ($298.6 million).

Each major modernization project will meet the energy efficiency and conservation requirements of the Energy Independence and Security Act of 2007 (P.L. 110-140). Each limited-scope modernization project will all include advanced meters for electricity and water. In addition, if the limited-scope project includes roof replacement, the roof will be replaced with integrated photovoltaic membrane (if flat and in the appropriate geography), maximum reasonable insulation

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[46] *Id.* § 1512.

for the climatic zone (R-50 in colder climates), or a green roof if an integrated photovoltaic roof is not warranted.

Examples of projects to be funded include:

- construction of the Department of Homeland Security headquarters at St. Elizabeths in Washington, DC ($450 million);

- construction of the Nogales West U.S. Land Port of Entry in Nogales, Arizona ($199.5 million);

- modernization of the Whipple Federal Building in Fort Snelling, Minnesota, to convert the building to a high-performance green building ($115 million); and

- modernization of the Edith Green-Wyndell Wyatt Federal Building in Portland, Oregon ($133 million).

The spending plan, including the complete list of projects, is posted at: http://www.gsa.gov/graphics/pbs/American_Recovery_and_Reinvestment_Act_2009.pdf.

On April 14, 2009, GSA awarded a contract for the final phase of the renovation of the Thurgood Marshall Building in New York City, New York. This will complete the modernization of this historic U.S. courthouse. GSA has since made additional awards, including over $26 million for construction of the Peace Arch Port of Entry in Blaine, Washington, and $31 million for the Lake Denver Federal Center in Denver, Colorado.

Economic Impact: Creates approximately 154,000 jobs and $27.5 billion of economic activity.

SMITHSONIAN INSTITUTION – $25 MILLION

Recovery Act: **Provides $25 million for repair and revitalization of existing Smithsonian Institution facilities.**

Distribution: Distributes funds through the Smithsonian Institution's existing administrative processes.

Shovel-Ready Deadlines: The Smithsonian Institution must obligate 100 percent of the funds by September 30, 2010.

Transparency and Accountability Requirements: The Smithsonian Institution must submit a general plan for expenditures of such funds to the Committees on Appropriations within 30 days (March 19, 2009) of enactment of the Recovery Act.[47]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[48]

Recovery Act Implementation: The Smithsonian Institution has announced that the funds will be used as follows:

Arts and Industries Building - Washington, DC ($4.6 million):

- masonry repointing of failed joints to stop the ingress of water; and
- hazardous material removal and selective demolition.

National Zoological Park ($11.4 million):

- fire protection projects at Rock Creek campus (Washington, DC) and Conservation Research Center (Front Royal, Virginia);
- replace roofs at Rock Creek campus and Conservation Research Center;
- replace deteriorated animal-holding facilities at Conservation Research Center; and

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[47] *Id.* § 701.
[48] *Id.* § 1512.

- repair bridges at Rock Creek campus.

Other Smithsonian Projects ($9 million):

- install high-voltage electrical safety improvements at multiple locations on the National Mall (Washington, DC);
- install sewage backflow preventers on potable water lines at multiple locations off the National Mall, including the Museum Support Center (Suitland, Maryland);
- install two emergency generators at the Smithsonian Environmental Research Center (Edgewater, Maryland);
- refurbish or replace elevators and escalators at the National Air and Space Museum and National Museum of American History (Washington, DC); and
- temporary/contract support - approximately four personnel.

OMB has approved this apportionment and Smithsonian project managers have finalized independent government estimates of project costs. The Office of Contracting has received the Recovery Act funds to start the acquisition process and pre-solicitation notices have been posted at: https://www.fbo.gov/.

As of July 17, 2009, funds have been obligated for 13 projects, totaling $18 million. Smithsonian expects to submit requests for proposals by July 31, 2009, award all contracts by September 30, 2009, and complete all construction by December 31, 2010. For the latest progress information on Smithsonian Recovery Act projects, see: http://www.si.edu/recovery/.

Economic Impact: Creates approximately 700 jobs and $124 million of economic activity.

ECONOMIC DEVELOPMENT ADMINISTRATION – $150 MILLION

Recovery Act: **Provides $150 million for EDA's economic development programs, of which not less than $50 million shall be for economic adjustment assistance under section 209 of the Public Works and Economic Development Act of 1965, and up to $50 million may be transferred to federally authorized regional economic development commissions.**[49]

Distribution: Distributes funds to local partners through EDA's existing regional allocation and project selection processes. EDA may transfer funds to the Appalachian Regional Commission, the Delta Regional Authority, the Northern Great Plains Regional Authority, the Northern Border Regional Commission, the Southeast Crescent Regional Commission, and the Southwest Border Regional Commission. These Federally authorized regional economic development commissions may assist eligible applicants in submitting applications to EDA, or may seek transfers directly from EDA.

Prioritization: Of the $150 million provided, not less than $50 million must be allocated for economic adjustment assistance under section 209 of the Public Works and Economic Development Act of 1965. EDA will allocate the remaining $100 million to either the Public Works and Economic Development Facilities Program or the Economic Adjustment Assistance Program, depending on demonstrated needs.

With regard to funding for economic adjustment assistance, the Secretary of Commerce shall give priority consideration to areas of the nation that have experienced sudden and severe economic dislocation and job loss due to corporate restructuring.

Shovel-Ready Deadlines: EDA must obligate 100 percent of the funds by September 30, 2010.

Transparency and Accountability Requirements: Each recipient that receives Recovery Act funds from a Federal agency must submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[50]

Recovery Act Implementation: On March 11, 2009, EDA published guidance explaining the requirements of the Recovery Act and EDA's planned process for distributing the funds provided by the Recovery Act. The guidance is posted at: http://www.eda.gov/PDF/FY09%20ARRA%20FFO%20-%20FINAL.pdf.

[49] *Id.* Title II.
[50] *Id.* § 1512.

Priority consideration will be given to those areas that have experienced sudden and severe economic dislocation and job loss due to corporate restructuring. Funds will be disbursed through EDA's six Regional Offices in the form of grants to States, local government entities, and eligible non-profits to create jobs and generate private sector investment by promoting comprehensive, entrepreneurial, and innovation-based economic development efforts. EDA will work with the federally authorized regional commissions to identify infrastructure and other grant investments that may be eligible for EDA assistance and that EDA will consider as part of its competitive review of prospective ARRA applications.

On April 22, 2009, EDA issued a Recovery Act Spending Plan, detailing how it intends to allocate the $150 million in Recovery Act funding. Within the $150 million total, EDA intends to fund at least $135 million in public works grants, which support the "brick and mortar" infrastructure investments contemplated by the Recovery Act. EDA will give preference to projects that have the potential to quickly stimulate job creation and promote regional economic development, such as investments that support science and technology parks, industrial parks, business incubators, and other investments that spur entrepreneurship and innovation.

In response to the requirement that EDA "give priority consideration to areas of the Nation that have experienced sudden and severe economic dislocation and job loss due to corporate restructuring", EDA has decided to allocate funding to its regional offices using a hybrid of its traditional allocation formula. EDA's proposed allocation drops lagging economic indicators in favor of a single allocation metric, three-month unemployment figures. According to EDA, these are the most contemporary data on unemployment and best represent current economic conditions for the purposes of EDA's allocation. As such, the allocation of funds to EDA's regional offices will be as follows based on the most recent three-month unemployment figures available:

EDA Regional Office	Funding
Philadelphia	$32,903,866
Atlanta	$30,392,752
Denver	$9,237,948
Chicago	$27,749,378
Seattle	$33,473,004
Austin	$13,243,052
Total	**$147,000,000**

During the week of June 1, 2009, EDA obligated its first four grants totaling $6.97 million, including $2.25 million for storm water drainage and infrastructure improvements to expand the Elk City Industrial Park in Elk City, Oklahoma, and $420,000 for infrastructure improvements at Rockcastle Industrial Park South in Mount Vernon, Kentucky. As of July 15, 2009, EDA has announced 15 grants totaling $23 million. EDA regional offices continue to develop extensive pipelines of potential Recovery Act projects, which range in size from less than $200,000 to more than $4 million.

Economic Impact: Creates approximately 4,200 jobs and $744 million of economic activity.

FEDERAL EMERGENCY MANAGEMENT AGENCY – $210 MILLION

Recovery Act: Provides $210 million for Firefighter Assistance Grants, for modifying, upgrading, or constructing non-Federal fire stations.

Distribution: Distributes funds through FEMA's existing competitive grant processes. No grant shall exceed $15 million.

Shovel-Ready Deadlines: FEMA must obligate 100 percent of the funds by September 30, 2010.

Transparency and Accountability Requirements: Each recipient that receives Recovery Act funds from a Federal agency must submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[51]

Recovery Act Implementation: On May 29, 2009, FEMA released guidance for the Firefighter Assistance Grants program. The program is aimed at creating and saving jobs in recession-hit areas and achieving firefighter safety and improved response capability and capacity based on need. Non-Federal Fire Departments and State and local governments that fund/operate fire departments are eligible for these grants. Program Guidance limits funds for each project within a grant application to $5 million.

Applications for grants were due to FEMA by July 10, 2009. FEMA expects to award between 60 and 80 grants and will make these awards in September through December 2009.

Economic Impact: Creates approximately 5,800 jobs and $1 billion of economic activity.

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[51] *Id.* § 1512.

<u>COAST GUARD – $240 MILLION</u>

<u>ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS – $98 MILLION</u>

<u>Recovery Act</u>: Provides $98 million for the Coast Guard's Acquisition, Construction, and Improvements program to fund ready-to-go Coast Guard shore facility repair projects. This funding cannot be used for pre-acquisition survey, design, or construction of a new polar icebreaker.

<u>Distribution</u>: Distributes funds through the Coast Guard's existing administrative processes.

<u>Prioritization</u>: Funds are to be used for shore facilities and aids to navigation facilities; for materials and labor cost increases of priority procurements; and for costs to repair, renovate, assess, or improve vessels.

<u>Shovel-Ready Deadlines</u>: The Coast Guard must obligate 100 percent of the funds by September 30, 2010.

<u>Transparency and Accountability Requirements</u>: The Coast Guard must submit a plan for the expenditure of these funds to the Committees on Appropriations within 45 days (April 3, 2009) of enactment of the Recovery Act.[52]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[53]

<u>Recovery Act Implementation</u>: The Coast Guard has committed to spend $7 million for its Sycamore Cordova Housing project in Cordova, Alaska, and $459,000 for the 378-foot High Endurance Cutter project. Analysis, planning, and preliminary engineering design documentation have been completed on vessel repair/acquisition projects, including the National Security Cutter. Preliminary planning documentation and outlay projections have also been completed on all eight shore infrastructure projects.

<u>Economic Impact</u>: Creates approximately 2,700 jobs and $500 million of economic activity.

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[52] *Id.* Title VI.
[53] *Id.* § 1512.

COAST GUARD
BRIDGE ALTERATIONS – $142 MILLION

Recovery Act: Provides $142 million for the Coast Guard's Alteration of Bridges program, which funds the removal or alteration of bridges that are safety hazards or unreasonable obstructions to navigation.

Distribution: Distributes funds through the Coast Guard's existing administrative processes.

Prioritization: The Coast Guard shall award these funds to those bridges that are ready to proceed to construction.

Shovel-Ready Deadlines: The Coast Guard must obligate 100 percent of funds by September 30, 2010.

Transparency and Accountability Requirements: The Coast Guard must submit a plan for the expenditure of these funds to the Committees on Appropriations within 45 days (April 3, 2009) of enactment of the Recovery Act.[54]

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[55]

Recovery Act Implementation: The Coast Guard completed bid documents, advertised bid solicitations, and held pre-bid meetings for three bridge alteration projects:

- Mobile Bridge project over the Mobile River in Hurricane, Alabama;
- Burlington Bridge project over the Mississippi River, Iowa; and
- Elgin, Joliet, and Eastern Railway Co. Bridge project over the Illinois Waterway in Divine, Illinois.

[54] *Id.* Title VI.
[55] *Id.* § 1512.

In the near future, the Coast Guard plans to complete bid documents for the Galveston Bridge project over the Gulf Intercoastal Waterway, Texas.

<u>Economic Impact</u>: Creates approximately 4,000 jobs and $700 million of economic activity.

MARITIME ADMINISTRATION
SMALL SHIPYARD GRANTS – $100 MILLION

Recovery Act: Provides $100 million for grants to small shipyards for capital improvement and worker training as authorized by section 54101 of title 46, United States Code.

Distribution: Distributes funds through the Maritime Administration's existing competitive grant program. The purpose of the grants is to make capital and infrastructure improvements that facilitate the efficiency, cost-effectiveness and quality of domestic ship construction, conversion or repair for commercial and federal government use. This program generally provides 75 percent Federal funds with 25 percent matching funds from the grant recipient. Grant funds may also be used for maritime training programs to foster technical skills and operational productivity.

Of the $100 million, $75 million is reserved for shipyards with 600 employees or fewer, and up to $25 million may be awarded to shipyards with up to 1,200 employees.

Shovel-Ready Deadlines: The Secretary of Transportation shall ensure that funds provided under this program shall be obligated within 180 days of the date of their distribution.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to the Maritime Administration on the use of Recovery Acts no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by the Maritime Administration and transmitted to Congress.

Each recipient that receives Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days (beginning October 10, 2009) after the end of each calendar quarter. Each agency shall make such information publicly available by posting the information on a website no later than 30 days (beginning October 30, 2009) after the end of each calendar quarter. These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[56]

Recovery Act Implementation: Grant applications were due April 20, 2009. The Maritime Administration received 454 grant applications (totaling $1.25 billion).

On July 9, 2009, the Maritime Administration announced $17.1 million in grants to 14 small shipyards in 10 States. The Administration plans to announce plans for the remaining funds soon.

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[56] *Id.* § 1512.

For more information about these projects, see:
http://www.marad.dot.gov/news_room_landing_page/news_releases_summary/news_release/dot_96_09.htm

Economic Impact: Creates approximately 2,800 jobs and $500 million of economic activity.

HEARING ON RECOVERY ACT 160-DAY PROGRESS REPORT FOR TRANSPORTATION AND INFRASTRUCTURE PROGRAMS

Friday, July 31, 2009

HOUSE OF REPRESENTATIVES,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
WASHINGTON, DC.

The Committee met, pursuant to call, at 10:10 a.m., in Room 2167, Rayburn House Office Building, Hon. James Oberstar [Chairman of the Committee] presiding.

Mr. OBERSTAR. The Committee on Transportation and Infrastructure will come to order. For our work today we will review our third in our series of oversight of the operation, effectiveness and implementation of the Recovery Act, also known as stimulus. I would like to project on the screen three presentations that I think are important for understanding.

There has been a great deal of discussion in the secular press of the Recovery Act and its ability to put money out into the job arena. And there are indeed other aspects of the stimulus recovery that are not working effectively, but the highway and transit portion, especially the highway formula funds, are in place and are working as we anticipated, except for a few States.

And can we call up the first? Percentage of Recovery Act, highway projects, 59 percent obligated. That means States have committed their money to specific projects. 41 percent not obligated. That is still within the parameters of the law, although had our Committee version been the final language I think all of that would have been obligated. Remember, it was our Committee that moved a bill through Committee, and through the House to require obligation and projects within 90 days. That was changed in conference and at the request of the administration to 120 days. And that half of the funds needed to be out in the first 120 days and the other half in the next portion. But at any rate the 59 percent obligated is within the parameters.

The next chart, projects out to bid. And there 49 percent, or $16.7 billion, out to bid and $17.6 billion not out to bid.

Now I want to go to the flow charts. I think you need binoculars to read that. There are copies that will be handed out to all Members.

Step one, February 17th the President signs the Recovery Act.

Step two, the Federal Highway Administration apportions the highway formula funds to States. That was March 2nd. That was roughly 13, 14 days after signing the Federal Highway Administration told all the States what their entitlement would be.

Step three, within 30 days of enactment our legislation required each Governor to certify to DOT that the State will maintain its effort in funding of the regular 80/20 program of transportation projects. Within 45 days, April 3rd, Governors had to certify that funds will be used to create jobs and promote economic growth and accept responsibility that infrastructure investment is the appropriate use of taxpayer dollars. We wanted that signed off, we wanted all Governors to buy in on it. We made that clear going back to 2008 when this Committee moved such legislation and it passed the House. We include that in the Recovery Act.

Step four, this is now the point at which Federal Highway Administration approves the projects that the State has already signed off on and said they are going to commit to these projects. They were submitted to the Federal Highway Administration division office, normally approved within 1 or 2 days.

At step five the Federal role is complete, except for the periodic sending out of funds.

The next steps are all up to the States. State following normal contracting procedures sends out invitation for bids. Contractors normally have 21 days to bid, depending on the size or complexity of the project. The bids come in, the State reviews the bids and awards contracts, and that process normally takes 4 to 30 days, again depending on complexity of the project. Then the contractor mobilizes and prepares to start work hiring new workers or calling back their existing staff. And then the State issues a notice to proceed. Work begins on those Recovery Act projects. That is another 10 to 30 days. So in 90 days States have largely complied with the requirements of the act. It obligated the funds, they sent out the IFBs, they have received bids, they have awarded bids, they have resolved any disputes, as far as I can tell there haven't been any, and they have projects under way and they are continuing this process, it now continues, it is just rolling along. Then the latter part of that the State then submits its voucher to the Federal Highway Administration. And typically that voucher is fulfilled by an electronic overnight deposit by the Federal Highway Administration for each State.

So let's go to the final fourth chart. So beginning March 15th States are obligating projects, April 1st bids were going out, bids reviewed April 1st to May 10th, May 11th contracts have been awarded, May 12th, not the earliest actually, 13 days after Recovery Act signed Maryland had the first project under way on-site. And work begins on the project. Contractor reports job creation to the State and they are reporting to us every 30 days.

Now, I have asked for review of the best States. Wyoming has done the best job. 95.7 percent of their funds have been out to bid. They are the number one out of 51 jurisdictions, 85 percent of their funds are under contract, 76 percent of projects are actually under way on the job site.

Oklahoma, well, let's see, Iowa was second with 88 percent out to bid and 50 percent of projects under way. Unfortunately, Hawaii, Florida, and South Carolina rank at the bottom. Florida is 51st. And I notice Mr. Mica has impatience and even outright anger, with justification, a very high unemployment rate, as in my State, but for some reason only 2 percent of the funds are underway in the State of Florida, only 12 percent of the funds are under contract. And Hawaii and South Carolina are in that same neighborhood.

We need to find out why. We have sent inquiries to State DOTs to find out what is causing their delay. But I can say this, that for the Federal side there was no red tape. The Federal Highway Administration and DOT did their job. They moved the funding out, got the projects under way, and we do have, as of June 30, 48,600 jobs on construction sites. That number is another 10,000 higher today, but that is not an official tabulation.

Today we are going to concentrate more on the nontransportation features of the Recovery Act 160 days after enactment. I am troubled that there is considerable unevenness in the implementation in nonhighway and transit agencies. As of the end of June 1, 600,000 construction workers were out of work. That is 1 million construction jobs lost since the recession began in December of 2007.

So we are today going to review the environmental projects; that is, those of the State revolving loan funds, the inland waterways, the public buildings. We are going to hear from the Government Accountability Office, whose report is splendid and agonizing for some, I should think, but on the whole I read every word of it late last night.

While I have already cited the direct on-site jobs in our next report in September, we will have accounting for those supply chain jobs that were stimulated by on-site projects. Sand and gravel pit operators, the asphalt producers, the cement and ready mix producers, the steel and others, including landscaping business jobs that result from these stimulus projects. All of these account for jobs created, but we won't have those numbers until September, mid-September.

Federal agencies under our Committee's jurisdiction have announced 9,356 transportation and nontransportation projects totaling $30.5 billion. The funds have been obligated for 8,200 projects, totaling $24 billion. However, State revolving loan funds are not moving their projects out as fast as I anticipated and as fast as the SRF managers told us and this Committee that they would be able to do last December and early in January. And the American road and transportation builders have, and associated general contractors, have expressed their dismay that projects in these nonhighway portions of the stimulus are not moving out as quickly as they had hoped and we anticipated.

So we are going to be hearing from EPA, Corps of Engineers, General Services, FEMA, Coast Guard, and the GAO this morning.

I am happy to yield to my friend and Ranking Member Mr. Mica.

Mr. MICA. Well, thank you. And thank you again for conducting this oversight hearing on the stimulus money. It is something we all pledged to do as that legislation moved forward, and very well intended legislation to improve the Nation's infrastructure and get people working.

The Chairman has pointed out that we do have some concerns about the rate of which some of the money actually is being put into projects. I also have some concerns I want to express this morning about that. We saw the amount of obligated funds, and that has now increased to over the 50 percent mark. The problem is as of July 27th only $919 million, that is not billion, $919 million, of $48 billion of DOT money has actually been spent. Given the calculation—and you know we estimate for every billion dollars in transportation infrastructure spending you can create 28,000 to 32,000, and if we use an average of—well, if we even take the high number it is less than 32,000 jobs have been created so far by the money that has been spent. Now, we do have of course obligated money. But in the meantime we have lost 1.5 million jobs nationally.

Then I think we have to turn ourselves to some of not what we say but what some of those will testify. And I had a chance to preview the GAO testimony. And I am also concerned about that. We find that they say with most funded projects relating to transportation they focus on paving improvements. And there is nothing wrong with that, and I have to compliment the Department of Transportation and State Departments of Transportation for trying to pick the low hanging fruit, get the money out as soon as possible. But many of those jobs are short-term. Some of the money has been spent, and the jobs are already closed down.

The problem we have is building the larger infrastructure projects that are multi-year, and you know significant in complexity, I have to admit that. But for example, we have heard many people take to the floor. Mr. Oberstar and I worked on the Minneapolis bridge restoration. That was done in record time, within budget. It sped up in less than 437 days, which normally takes 7 to 8 years to go.

However, there are almost no projects of that nature that have been undertaken. And some of the efforts in the beginning when we looked at stimulus, as I said last time, were thwarted in the Senate to speed up the process and give the States the flexibility that they need to move forward, and also the encouragement and the kick in the pants, if necessary, to get those big projects going. But the information from GAO says only 12 percent of the funds has been obligated for bridge projects, and of that—well, an additional 6 percent is all we are going to see for new bridges. So while we have bridges crumbling, we have very few projects on the horizon of a large significant nature that will employ people long-term.

The other problem Mr. Oberstar and I have is we made a—well, we made a deal this week and we had an agreement to supply $7 billion to the trust fund. We tried to put in as much as we can to be responsible to keep the fund whole. We hope that gets done in the Senate now. But we are on a collision course to disaster, because in addition to not having stimulus authority to move forward in an expedited fashion to take on these big projects that employ people long-term, we are about to shut down the whole process if we don't have an authorization, with the current authorization, as we all know, expiring the 30th. And we put money in, we have current authorization, but we are approaching a collision course, folks.

So we are going to need everybody's help to get behind us to find sources of funding, sources of backing, ways to expedite these projects. You can't tell me there isn't a community from sea to shining sea that doesn't need infrastructure improvements, and many of them need large projects. But unfortunately the stimulus package is leaving the big projects behind. We want no bridge or no project of national significance, regional or community significance, left behind. So we will hear that report today. It is not my words.

And then finally the red tape. President Obama went to Elkhart, Indiana in February to push for passage of his stimulus package. In July, Jeff Taylor, the county highway engineer in Elkhart said, I have got, and I have said this before publicly and repeated not his words but my words, I have got an engineer working full time. And that is just about all he is doing is red tape every day, filling out forms, filling out forms. You will not see, you will not see stimulus used until next year because this is going to be all he is doing is that red tape.

The final thing is again I went up to Boston recently. In the South I don't think of seasonable construction. We have got 18 percent unemployment in construction in central Florida, and we would love to have those jobs now. The Chairman also said Florida is unfortunately lagging behind in getting the money out, too, for any projects, let alone big projects. But what scares me is we have got the winter season setting in which you don't think of again in the South. But many of the DOTs across the northern tier of the Nation will be shut down and it could be pretty grim this winter.

So I am not a happy camper with this report, Mr. Chairman. But hopefully we can get some. And there are agencies that have gotten the money out pretty quickly. DOT has done I think the best they can. FAA, excellent work on their part, and others. So we just have to redouble our effort and roll up our sleeves.

I yield back.

Mr. OBERSTAR. I thank the gentleman for those observations. And I am too concerned about the report from Indiana about red tape. I have no idea why they have any kind of process issue, because in 2008 and beginning even in 2007 and all through 2008 we asked AASHTO to survey their members, every State to give us through AASHTO a list of projects that were through right-of-way acquisition, EIS, design and engineering, down to final design and engineering, ready to go to bid, all they need is the money. There should have been no red tape. If there is some processing, I think then we need to know about it. But it is at the State level, and I have no idea why several States are lagging behind in getting their projects out.

So that is going to be the subject of continuing inquiry. And I said at the beginning we have this program, it is supposed to create jobs. We are not going to shield it behind a curtain. We are going to expose warts and all and find out what the problems are and fix it. Because if we can't create the jobs in this program how do you expect to do it in the long-term, how do you expect to get those longer term 3, 4-year type projects out if you can't do the ones that already at the bid stage. So we are ready to roll here.

Ms. Norton for 2 minutes.

Ms. NORTON. Thank you very much, Mr. Chairman. This is a very important hearing as we go out for August break. There is a significant difference between the funds that my Subcommittee has jurisdiction over, GSA, and in particular also FEMA, but particularly GSA. The difference is that unlike the States it is our Subcommittee and it is the Congress and the administration that is responsible for the work that has to be done, because that work is owned Federal buildings, and converting them into high performance green buildings, with a double bang for the taxpayer, that these buildings that serve the public, part of our Federal inventory going down the drain get fixed and we save enormous sums in energy.

But we are accountable and the White House is accountable because there is no States involved here. Fifty States and four territories and the District of Columbia benefit from these funds, but it all leads back to GSA.

Now, GSA is going to testify this morning, and I am going to allow them to indicate how far they have gone. I must say that I am right up front, Mr. Chairman, and I am very concerned about really a very small part of what they had to do, and that has to do with the apprenticeship program, particularly focusing on preapprenticeship so that there would not be unnecessary division between what amounts to hundreds of thousands of mostly white construction workers and minorities and women who have not been trained for many years because there has been no consistent training. So there is a small amount in the DOT, and there is a small amount in GSA.

And I have to say, Mr. Chairman, I am very, very distressed that 160 days later, February 17th is when this bill was signed, they knew about this and worked on it even before. The RFP to award the small amount of money, only $3 million, is due back September 8th. So they have you know blown much of the building season.

I think that what you are doing, Mr. Chairman, in insisting that we have these oversight hearings is very, very important. On the training money, for example, in 2000 you put in and this Committee put in money that would have allowed half a percent of State highway dollars to be used for training. The trained journeymen are aging out. States didn't use that money for training, they just used it to build. And so we have an aging construction workforce, and we have got to use this occasion when we are putting this big lump sum into construction and infrastructure to train for the first time people to replace those who are aging out and who we will need to rebuild our country.

And thank you very much, Mr. Chairman.

Mr. OBERSTAR. Thank you for raising that issue. For that very person I designating Ms. Napolitano to chair a task force to review the progress on minority workers and minority enterprises under the Recovery Act. And I think that you and she and I should get together and talk about this matter.

Mr. LoBiondo. Mr. Boozman.

Mr. BOOZMAN. Thank you, Mr. Chairman, for holding this important hearing. Whether you voted for the American Recovery Reinvestment Act or opposed the legislation, we in Congress have the responsibility to ensure the money is spent for its intended purposes. Since the stimulus bill short-changed infrastructure investment, we have to conduct rigorous oversight on the allocation of these scarce resources, and I appreciate Mr. Oberstar's effort to do so. In some cases Congress did a poor job of picking and choosing which programs to fund. In other cases the administration seems to be rushing money out the door with little control over how the money is to be spent.

Given the fact that the navigation projects and the flood damage reduction projects provide economic benefits to the Nation, I would like to see the administration and the Congress place a higher interest in the work of the Army Corps of Engineers. All of the Corps projects put people to work, which is another reason to put these investments high on the priority list.

Thank you, Mr. Chairman, again for holding this very important hearing, and I look forward to hearing from the witnesses. And I yield back.

Mr. OBERSTAR. Thank you very much, Mr. Boozman. I share your concern about the lagging investment from the Corps of Engineers. They were slow to get off the blocks with this program. There should have been much more money in the Corps. We had more in our House version of the bill. It was cut back in conference. And we are going to keep up the rigorous oversight. As I said, we have to show everything, warts and all. If it is working, fine. If it is not, we have to understand why, and there will be another hearing in 60 days.

Ms. Johnson, Chair of the Water Resource Subcommittee.

Ms. JOHNSON. Thank you very much, Mr. Chairman, for continuing on implementation of the American Recovery and Reinvestment Act. Successful implementation of this legislation is essential to our collective efforts to turn our economy around and create good well paying jobs here in America. While I understand some of the public criticism that the Recovery Act is not working fast enough and the recovery and the economy continues to lose jobs, if they heard the news earlier, the Gross National Product is improving. I would suggest that but for the enactment of the Recovery Act we would be in far worse shape today.

That being said, I agree that the primary focus of the legislation was creation of jobs, and I am concerned that the creation of jobs has not been uniform across the agencies and programs under the jurisdiction of this Committee. Hopefully today we will hear some assurance that agencies understand the primary intent of this legislation to create jobs, while at the same time promoting accountability and openness in expenditures.

I read the written testimony of the witnesses here this morning, and I commend them for the progress made thus far. I applaud the efforts of the Environmental Protection Agency for obligating over 83 percent of the clean water State revolving fund dollars to the individual States and for working through some of the implementation challenges of the buy-American provisions in the Recovery Act.

And Mr. Chairman, I thank you for this time, and I am going to ask unanimous consent to file the rest of my statement. Thank you.

Mr. OBERSTAR. Without objection, the statement will be included in the record. Mr. Cummings.

Mr. CUMMINGS. Thank you very much, Mr. Chairman. And I thank you for continuing to hold these regular hearings to ensure that we have visibility and accountability and transparency over the expenditure of every dime of funding provided for transportation-related purposes through the American Recovery and Reinvestment Act.

As Chairman of the Subcommittee on Coast Guard and Maritime Transportation, I am particularly pleased to have the opportunity to review the Coast Guard's expenditure of the funding provided to it through the Recovery Act. The Coast Guard received Recovery Act funding for two main purposes: To fund the alteration or removal of bridges that pose a hazard to navigation through the Truman-Hobbs program, and to fund its own projects through its Acquisition Construction and Improvements accounting, the AC&I. For the Truman program the service received $142 million, which is being combined with monies previously appropriated to the programs to support the alteration of four bridges. For its AC&I account the service received $98 million, of which the service has indicated $88 million will be expended to address the repair and rehabilitation needs of shore utilities.

These Recovery Act funds were sorely needed, particularly those directed to the AC&I account, given that the Coast Guard has an estimated $1 billion backlog of on-shore facility maintenance and repair needs. That said, however, the President's fiscal year 2010 project requested only $10 million in capital funding for the Coast Guard's shore-based facilities and aid to navigation recapitalization projects. Failure to adequately fund the Coast Guard's shore-based facilities will only increase later maintenance and placement costs while leaving personnel in substandard conditions. Thus I would hope that the Recovery Act funds are not seen, Mr. Chairman, as a replacement for what should be regular and robust AC&I funding.

Given the backlog of on-shore maintenance needs, however, I am also concerned by what appears to be the Coast Guard's very slow expenditure rate for these funds, and I anxiously look forward to discussing planned projects in more detail today.

With that, I look forward to the testimony of all of our witnesses. And Mr. Chairman, with that I yield back.

Mr. OBERSTAR. I thank the gentleman for the comments. And I want to assure Chairman Cummings that Federal agencies are subject to the same requirements of the States on maintenance of effort. These recovery funds should not be a replacement for their regularly scheduled program, and we will pursue that matter in the course of this hearing. You are right to raise that.

And now Mr. Hooks, you are in the hot seat for EPA, and not so much EPA, but the State SRFs, who I must say I am very disappointed are lagging behind our expectations, including in my own State of Minnesota. So the floor is yours. I read your testimony last night.

TESTIMONY OF THE HON. W. ROSS ASHLEY, ASSISTANT ADMINISTRATOR, GRANT PROGRAMS, FEDERAL EMERGENCY MANAGEMENT AGENCY; ANTHONY E. COSTA, ACTING COMMISSIONER, PUBLIC BUILDINGS SERVICE, GENERAL SERVICES ADMINISTRATION; CRAIG E. HOOKS, ACTING ASSISTANT ADMINISTRATOR FOR ADMINISTRATION AND RESOURCES MANAGEMENT, ENVIRONMENTAL PROTECTION AGENCY; MARTIN J. RAJK, DEPUTY ASSISTANT COMMANDANT FOR RESOURCES AND DEPUTY CHIEF FINANCIAL OFFICER, U.S. COAST GUARD; TERRENCE C. SALT, ACTING ASSISTANT SECRETARY OF THE ARMY (CIVIL WORKS), U.S. ARMY CORPS OF ENGINEERS; AND KATHERINE A. SIGGERUD, MANAGING DIRECTOR, PHYSICAL INFRASTRUCTURE ISSUES, U.S. GOVERNMENT ACCOUNTABILITY OFFICE

Mr. HOOKS. Thank you, Mr. Chairman. Chairman Oberstar, Ranking Member Mica, and Members of the Committee, thank you for the opportunity to appear before you today to discuss EPA's implementation of the American Recovery and Reinvestment Act of 2009. As Members of this Committee well know, we are in the midst of one of the most severe economic crises our Nation has seen. The Recovery Act provides $7.2 billion for specific programs administered by the EPA, the Clean Water Act SRF, the Drinking Water SRF, Superfund, Brownfields, Underground Storage Tanks and the Clean Diesel Programs.

The programs targeted by EPA's portion of the Recovery Act funding addresses local specific community-based public health and environmental needs. Investing in these areas ensures that job creation, economic growth, and beneficial environmental results occur at the local level. Funding these programs will not only help our economic recovery, but they will protect and increase the number of green jobs, sustain communities, restore and preserve the economic viability of property, promote scientific advances and technological innovation and ensure a safer healthier environment.

The majority of EPA's Recovery Act funds totaling $4.7 billion are specified for programs under the jurisdiction of this Committee. The Clean Water Act SRF $4 billion, Superfund $600 million and Brownfields $100 million. As we award these funds, we continue to place a high priority on oversight, transparency and accountability.

As the agency's senior accountable official, I established a steering committee comprised of senior managers from across the agency to monitor Recovery Act planning and implementation on a weekly basis. The Inspector General sits on this committee, and the Office of Management and Budget representatives are also routinely included. When recipient reporting begins in October we will be able to provide on the ground level details of spending and more importantly tangible results.

Of the $7.2 billion made available to EPA thus far, we have already obligated to the States over $5.9 billion, over 82 percent. And I am pleased to report that this number has nearly quadrupled since Administrator Jackson appeared before this Committee 3 months ago.

We are also continuing to improve our processes in order to adapt to the new requirements of the Recovery Act, such as the Buy-American provision and the green project reserve. And you will see in my written testimony we have already made several success stories to tell as well.

I look forward to continuing the work with this Committee, our Federal, State and tribal partners, and members of the public as we work to effectively implement the American Recovery and Reinvestment Act of 2009 with oversight, accountability and transparency.

Thank you again for inviting me to testify today, and I look forward to answering any questions that you might have.

Mr. OBERSTAR. Thank you, Mr. Hooks. We will have a number of questions for you. Mr. Salt, welcome back. When you first came before this Committee you had kind of a hard time. And you were very candid, and I appreciate that. So welcome back.

Mr. SALT. Thank you, sir. Chairman Oberstar, Ranking Member Mica, distinguished Members of the Committee, I am Terrence "Rock" Salt, Acting Assistant Secretary of the Army for Civil Works. Thank you for the opportunity to testify again to discuss the Army's implementation of the civil works appropriation within the American Recovery and Reinvestment Act of 2009.

The accomplishment of Corps of Engineers civil works projects through the Recovery Act funding has begun to contribute to the Nation's safety, economy, environment, and quality of life. The Act provides funding to the Corps to achieve these results through the development and restoration of the Nation's water and related resources. Funding also supports our permitting activities for protection of the Nation's regulated waters and wetlands and cleanup of sites contaminated as a result of the Nation's early efforts to develop atomic weapons.

All told, the discretionary funding for the civil works in the Recovery Act is $4.6 billion and is provided in six accounts. Within the total program, the majority of funds was provided for activities in the Operation and Maintenance and Construction accounts. As of July 17th, financial obligations totaled $694 million, of which $648 million were for contracts and outlays that totaled $84 million. Our most recent update as of July 24th raises the obligations total to $768 million; $708 million of that is for contracts, with the outlay total raised to $100 million.

More than half of the available Recovery Act funds for civil works are scheduled for financial obligation from May through September of 2009. During that period over 1,000 contract actions are scheduled such as award of new contracts, options, or task orders. This brisk pace will continue through December 2009, at which time about two-thirds of the Civil Works Recovery Act funds will have been obligated.

Through July 17th, awards to small businesses totaled $222 million, or 34 percent of the total obligated. 73 percent of our contract actions to date involve small businesses, over 460 actions. These numbers do not include the local small businesses that are hired by the larger companies as their subcontractors as they proceed with this work.

The civil works projects funded with Recovery Act funds were selected to achieve most of the work through contracting and to award the contracts in a short period of time. We believe this approach maximizes private sector employment impacts. Stimulus effects begin with the contract award because that is when the contractor begins to hire workers, order materials and equipment, and take other steps to complete the work creating additional indirect benefits throughout the economy. As a result, we are finding that the stimulus impacts are more closely related to the visible start of Recovery Act projects and the contract awards for these projects rather than the subsequent outlays which provide payments to contractors for work they have completed or for supplies and equipment they have already purchased.

Mr. Chairman, I appreciate your chart that you started our hearing with because it makes that point I was trying to make; a point you were making here as to how that stimulus part works.

Just last week I was in Arizona and visited one of our Recovery Act project sites, the Tres Rios Ecosystem Restoration Project, and spoke to the representative of the contractor. In June, he was awarded a $12 million contract for work, and I asked him what the impact of this Recovery Act project was. He said, but for the Recovery Act, he would have shut down, he would have had to let go the contract team that he had on-site. He said he had 120 people directly related on the work, and when he added in his subcontractors it added up to 250 people just on that one contract.

More importantly to me, though, was when I met with folks from the City of Phoenix. Their enthusiasm and their support for the project was partly with respect to the employment, but more importantly the fact that important work that wasn't able to be budgeted was being accomplished, work that is important to the city, important to the Federal interest and work that was meeting the goals of the Stimulus Act.

I think we have to do a better job of explaining how this, not just in the job creation, but in the work that we are doing and the overall effect of the stimulus, is actually happening, and we are not doing a good enough job of explaining that.

Overall, the investment of Civil Works Recovery Act funds will be invested in over 800 projects directly supporting over 50,000 jobs. In addition to the direct job support, these investments will support numerous indirect jobs in industries supplying material and equipment.

Finally, investment civil works projects create lasting positive economic impacts long after the short-term effects of the funded construction and maintenance or repair activities have faded. At $4.6 billion, the Recovery Act provides resources for the civil works program to ensure investments for important and high priority projects that will support the stimulus goals directed by the Congress.

Thank you, Mr. Chairman and Members of the Committee, for this opportunity to testify on the Recovery Act program for the Army Corps of Engineers Civil Works program.

Mr. OBERSTAR. Thank you, Mr. Secretary, for your testimony. I will have a number of questions when we conclude all the witnesses. And now Mr. Costa for Public Building Service.

Mr. COSTA. Thank you. And good morning, Chairman Oberstar, Ranking Member Mica, and Members of the Committee. My name is Tony Costa, and I am the Acting Commissioner of the General Services Administration's Public Building Service.

Thank you for inviting me to appear before you today to discuss GSA's contributions to our Nation's economic recovery through the green modernization and construction of our buildings. I have submitted my written statement for the record. Today I will highlight the significant progress we have made since our Acting Administrator Paul Prouty testified in front of this Committee in April.

On March 31st you received a list of 254 projects in all 50 States, the District of Columbia and four U.S. Territories where GSA will spend $5.5 billion of Recovery Act funding to repair and green our existing Federal buildings and construct new high performance green buildings.

Three months ago Mr. Prouty committed to this Committee that GSA would award $1 billion of Recovery Act funding by August 1st. I am pleased to report that we not only met that goal, we exceeded it. As of this morning our obligation stood at just under $1.1 billion. This first billion will fund 120 projects in 42 States, plus the District of Columbia and Puerto Rico. It will allow GSA to construct six new land ports of entry, eight new Federal buildings and implement over 100 high performance green building projects in existing GSA buildings. At least 20 of these 120 projects are already under construction, the rest will begin soon.

We intend to award the remaining funds on an equally aggressive schedule. The second billion dollars will be awarded by the end of the calendar year, with an additional $2 billion by the end of March 2010. In one year GSA will obligate $4 billion, over three times the volume of work the Public Building Service typically awards in a year, and we are on track to obligate $5 billion by the end of fiscal year 2010. Over 70 percent of the funding will flow into the economy within the next 8 months.

To get this work done we have streamlined our business processes to ensure these projects are delivered on time, on budget, and on green. We established standard scopes of work, performance specifications, technical guides, and contract templates to facilitate rapid project award. We have awarded national and regional contracts to support recovery reporting, tracking and contract management, and we are taking additional steps to accelerate contract execution.

The investments we make in our public buildings will help stimulate job growth, reduce our backlog of repair and alteration needs, reduce energy consumption and improve environmental performance of our inventory. According to a 2008 study assessing green building performance, green Federal buildings on average use one-quarter less energy than the national average, cost 13 percent lower to maintain, have higher tenant satisfaction, and emit one-third less carbon dioxide.

Although behind schedule, I am also pleased to provide an update on the $3 million of Recovery Act funding provided for on-the-job preapprenticeship and apprenticeship training programs. Under these programs GSA will provide training opportunities for individuals affected by the economic downturn. A request for proposals for the apprenticeship and preapprenticeship programs was issued this morning to interested firms and community-based organizations. We anticipate multiple awards for preapprenticeship programs on September 9th.

In closing, I would like to highlight that we have taken advantage of the current market conditions and have awarded projects at lower costs than we originally estimated. Our preliminary analyses show that our larger projects were awarded at 8 to 10 percent below the estimated cost. We will continue to take advantage of market conditions and identify and track all project savings.

Chairman Oberstar, Ranking Member Mica and Members of this Committee, this concludes my prepared statement. I am thrilled to report that we have exceeded our original commitment of $1 billion by August 1st. We look forward to working with you and Members of the Committee as we continue with this important work. I am pleased to answer any questions that you or any other Members of this Committee may have.

Thank you.

Mr. OBERSTAR. Thank you, Mr. Costa. We will have questions for you.

And Mr. Ashley, Assistant Administrator For Grant Programs at FEMA, welcome. Glad to have you here.

Mr. ASHLEY. Thank you, Mr. Chairman. Chairman Oberstar, Ranking Member Mica, and Members of the Committee, my name is Ross Ashley, and I serve as the Assistant Administrator at the Federal Emergency Management Agency's Grant Programs Directorate.

On behalf of the Administrator Fugate, it is a privilege to appear before you today to discuss how FEMA is implementing the Assistance to Firefighters Fire Station Construction Grant Program as provided for under the American Recovery and Reinvestment Act of 2009, which will improve the capabilities of the Nation's Fire Service while aiding the economies of many American communities.

FEMA's Grant Programs Directorate is comprised of dedicated professionals with years of experience in the planning, execution, management and monitoring of Federal grant programs. Currently, GPD manages 52 different disaster and nondisaster programs. GPD makes between 6,000 and 7.000 individual grants annually, which total between $7 billion and $10 billion in Federal financial assistance. GPD is proud of its professionalism. It is also proud of its record of cooperation with both the field, the constituents it serves, and with the Congress and the development of the programs it administers. Every grant program GPD develops and administers is marked by a high level of outreach, discussion, and collaboration with the communities, the individuals, and the stakeholders the grant program is designed to help.

The Assistance to Firefighters Fire Station Construction Grant Program is no different. FEMA and GPD have a long record of working closely with the Nation's Fire Service. GPD's portfolio includes the Assistance to Firefighters Grant Program and the Staffing For Adequate Fire and Emergency Response or SAFER Grant Program. Our partnership with the Fire Service is demonstrated through the process by which each near AFG and SAFER programs are developed. Each year FEMA convenes a panel of Fire Service professionals to assist in the development of funding priorities for the coming year. This also provides an opportunity to discuss any changes in program requirements.

The development of the Assistance to Firefighters Fire Station Construction Grant Program did not differ from the development of GPD's other AFG programs. As with the other AFG programs, GPD consulted and worked with a panel of Fire Service professionals representing the nine major Fire Service organizations to develop funding priorities and other implementation for the Fire Station Construction Grant Program. In keeping with the goals of the ARA to not only assist the Fire Service but more broadly assist in the economic revitalization of the communities fire departments serve, GPD collaborated with additional stakeholder organizations in the development of the Fire Station Construction Grant Program. These groups represent the Nation's towns, cities, counties and States and included the National Association of Counties, the National Governors' Association, the National League of Cities, U.S. Conference of Mayors, and many others.

Our collaboration and outreach will extend through the Fire Station Construction Grant award process. Fire Station Construction Grant awards are competitive and will be based on the funding priorities provided by the Fire Service and on peer reviews by panels comprised of representatives of the Fire Service. The ARA provides a total of $787 billion, including additional Federal assistance to State and local communities. Of that, $510 million was provided to support FEMA's efforts to enhance the security of our Nation's ports and transit systems and to enhance the capabilities of the Nation's Fire Service by funding the construction, renovation or modification of fire stations. Specifically, the ARA designated $210 million to support these fire station construction and renovation efforts.

On May 29, 2009, 100 days after ARA enactment, FEMA released the grant guidance and application materials for the Fire Station Construction Grant Program, thus opening the application period. It is our belief that this initiative will directly assist the Nation in achieving the objectives of the American Recovery and Reinvestment Act. Under the Fire Station Construction Grant Program, funds will be awarded directly to non-Federal fire departments or to State and local governments that fund or operate fire departments.

Under Fire Station Construction Grants there is no match or cost share requirement, and Fire Station Construction Grant funds will cover 100 percent of the project's cost. The immediate result will be an infusion of funding that supports local construction. This local construction will in turn create new jobs, services, purchases and enhance essential services.

The Fire Station Construction Grant funds are also a direct investment in public safety. Funding under this program will enable fire departments to replace or renovate unsafe or uninhabitable structures. These investments in infrastructure will enable fire departments to enhance response capabilities and fire protection coverage, better protecting communities from fire-related hazards and help ensure firefighter safety.

To maximize the benefit of the ARA funding FEMA limited for each individual project within a grant application to $5 million. There is, however, no limit on the number of projects that can be included in an application, as long as the total amount of funds requested does not exceed the $15 million statutory cap set forth by ARA.

Fire Station Construction Grants application period closed on July 10, 2009. By the close GDP received over 6,000 Fire Station Construction Grant applications requesting a little over $9 billion in Federal assistance. Application reviews are currently under way, and we expect that all grants under the Fire Station Construction Program will be awarded before the end of the fiscal year.

Mr. Chairman, I will conclude my statement by emphasizing the commitment that we at the Department of Homeland Security from Secretary Napolitano to Administrator Fugate to myself have for the goals of the American Recovery and Reinvestment Act in providing the critical assistance being made available through the Fire Station Construction Grant Program.

Thank you, Mr. Chairman, Ranking Member Mica, and Members of the Committee, for allowing me to testify today. I am happy to answer any questions you may have on the subject.

Mr. OBERSTAR. Thank you for your presentation. I do have a number of questions which I will come to.

And now we have Mr. Rajk, Deputy Assistant Commandant for Resources at the Coast Guard. Welcome.

Mr. RAJK. Thank you, sir. Good morning, Mr. Chairman and distinguished Members of the Committee. Thank you for the opportunity to speak with you today on the Coast Guard's progress in executing funding received through the American Recovery and Reinvestment Act. The strength of our service relies squarely on the dedication and courage of our people.

Over the past year Coast Guard men and women continue the consistent trend of premier service to the public. They perform superbly in the heartland, the ports, at sea, and around the globe to safeguard America's maritime interests. Men and women of the Coast Guard require capable, safe, and reliable assets and facilities and funding to achieve mission success. I appreciate the Congress' recognition of these needs through your continued strong support of the Coast Guard.

Specifically, with the $240 million appropriated in the Recovery Act, the Coast Guard is addressing critical priorities for the safe and unobstructed navigation on the Nation's waterways, servicewide shore infrastructure deficiencies, and replacing obsolete and often inoperable equipment on our high endurance cutters.

With respect to bridges, there is $142 million, which permits completion of four projects to alter bridges identified by the Coast Guard under its Truman-Hobbs Act authority as unreasonably obstructive to navigation. These four bridges are older, with more narrow navigable openings, which result in significant risk to the people and cargo traveling on the bridges and the mariners transiting the openings.

Completion of these construction projects will improve the safe and efficient navigation on U.S. waterways, will benefit the construction sector in local communities, avoids future costs to repair or fix structures and vessels and leverages the $120 million previously appropriated to these projects.

Mr. RAJK. In total, the act funding results in a $262 million positive stimulative impact on the economies of Iowa, Illinois, Alabama and Texas, as well as through national suppliers of equipment and materials associated with the bridge construction.

Without the act funding, these projects would not have been able to begin construction this soon.

As of today, we have obligated just over $51 million, or 36 percent of the Iraq funds, and expect to have obligated 100 percent by the end of this fiscal year. These four projects will create an estimated 1,200 jobs. Of the $98 million appropriated the for acquisition construction improvement of the Coast Guard's capital account, $88 million will be used for the construction, renovation and repair of vital shore facilities that provide support necessary to execute a full range of mission needs.

An estimated 19 percent of this amount has been set aside for small business. This includes the $7 million already under contract for completing a 26-unit family housing project in southeast Alaska for the crew of the Coast Guard Cutter Sycamore.

The remaining $10 million will address high-endurance cutter engineering changes. Over the past several years, the Coast Guard's aging high-endurance cutters have experienced a significant increase in major system casualties, resulting in over 300 lost cutter days per year.

These engineering changes target the top mechanical and electrical system mission degraders and are necessary to improve existing capabilities and to reduce system casualties. We expect to execute 25 to 30 percent of these funds this fiscal year, with another 50 percent executed in the first quarter of fiscal year 10.

Mr. Chairman, there was no question that the funding provided through the Recovery Act will improve the Coast Guard's ability to execute its missions. Additionally, with an estimated 1,400 jobs created, this funding is expected to have a significant impact on local economies.

I am grateful for your continued support of the United States Coast Guard and the opportunity to speak with you today. I am pleased to answer your questions.

Thank you, sir.

Mr. OBERSTAR. Mr. Wender tells me your name is properly pronounced Rajk.

Mr. RAJK. Rajk, sir. If we were in Slovakia it would be pronounced Rajk.

Mr. OBERSTAR. I thought it had to be a Slovak name, but there are some consonants missing from your name, from the spelling of it. It was Anglicized when they came through Ellis Island.

Mr. RAJK. Yes, sir, 1911 through Ellis Island.

Mr. OBERSTAR. I know. It happened to our family too, the Oberstars and the Posta Schlemcheks, they all got their names changed by those Irish immigration officers.

That's true.

Mr. OBERSTAR. All right. Ms. Siggerud, you are the clean-up batter here. We look forward to your testimony.

Ms. SIGGERUD. Mr. Chairman and Members of the Committee, I am pleased to be here to discuss our work examining selected States' use of funds for highway infrastructure projects under the Recovery Act. As you know, the act is far-reaching and includes a number of transparency and oversight mechanisms.

GAO's role, as established in the act—excuse me, I am sorry. GAO's role in establishing the act is to review use of funds by States and localities. We are doing so by following major Recovery Act programs in 16 States in the District of Columbia, as well as monitoring trends nationwide.

The highway program is one of our major focuses. My statement today will draw from our July 8 update on the Recovery Act and will cover first how States have used the $26.7 billion apportioned to them in the Recovery Act for highway projects. Second, the steps they have taken to meet the act's requirements; and, third, GAO's other work on transportation under the Recovery Act.

As of 2 weeks ago, $16.8 billion of apportioned funds for highways have been obligated for over 5,700 projects nationwide. This is 63 percent of apportioned funds.

Page 3 of my statement shows the types of projects States have selected. Almost half of these funds are for pavement improvement projects, like reconstructing or rehabilitating deteriorated roads. State officials told us they selected these types of projects because they did not require extensive environmental clearances, could be quickly obligated in bid, could employ people quickly and could be completed within 3 years.

About 17 percent of Recovery Act funds were obligated for increasing capacity through pavement-widening projects, while 12 percent is going for bridge projects. FHWA's reimbursements to States, which occur after contracts have been awarded and contractors paid, are proceeding at a slower rate. As of 2 weeks ago, DOT had outlaid $401 million or 2.4 percent of obligations for highway projects.

However, we noted a significant increase in outlays in the last month. In fact, outlays grew significantly faster than obligations over that time period. States have been getting good deals in bidding these projects. They told us that due to competition and other factors, the bid prices had been between 5 to 30 percent below estimated costs.

Turning now to the act's requirements, every State met the requirements that 50 percent of funds be obligated by June 30. We found more variation in how States were implementing the requirement to give priority to projects that can be completed within 3 years and that are located in economically distressed areas, as defined by the Public Works and Economic Development Act.

While the State officials said that they considered project readiness, including the 3-year completion requirement, we found inconsistent approaches to giving priority to selecting projects in economically distressed areas and how they identified these areas.

Because States had known for some time that the so-called ready-to-go-projects would be a priority, States had taken steps to identify projects months before the act. But the act added priorities for economically distressed areas, requiring States to apply a new criterion within a relatively short time. Any inconsistencies we saw included applying criteria not identified in the Public Works Act; for example, States using long standing allocation formulas they typically use for distributing Federal aid highway funds within the States.

Several States also developed their own criteria, like foreclosure rates and percentage increases in unemployment. This variation results in part from unclear guidance from the Federal Highway Administration on how to apply this part of the act. Lack of coordination within the Department of Commerce, which defines economically distressed areas for its grant programs, was also a program.

We recommended the DOT clarify its guidance, and the Department has committed to working with Commerce to develop new guidance. We review that and continue to follow this issue.

Finally, while there were some initial bumps in the road, DOT has determined that all States but one met the requirement that the Governors certify they will maintain their level of effort. This means the States committed to maintaining their level of highway spending at the level planned on the date of enactment. However, given the significant fiscal distress in some States and the technical challenges in determining whether the States are actually maintaining their planned spending, we will also continue to follow this issue.

Mr. Chairman, our future work in the States will add key transit capital programs for our September report. We will also look at obligations of highway funds at the local and metropolitan planning organization level and contracting practices in the States.

We also recently issued a positive review of DOT's initial actions in implementing the Secretary's $1.5 billion discretionary grant program. We also provided observations and testimony on FRA's strategic plan for allocating high-speed rail funds, and have additional work planned in the rail area.

We will, of course, also be happy to work with the Committee to select other areas for review.

This concludes my statement. I am happy to answer any questions the Committee may have.

Mr. OBERSTAR. Thank you, Ms. Siggerud.

As always, GAO's work is splendid, it is precise, it is thought-provoking, and you have provided a better chart on utilization than DOT has done. And it is very instructive, because you break down, as we expected you would do, the obligation of funds on highway projects, pavement improvement, widening, new road structure, bridge improvement, replacement, new bridge construction and so on.

It is very, very instructive for us to see how these dollars are used and where they are being allocated, and I will come back to you a little bit later.

But I want to start with EPA, and I know each of our Subcommittee Chairs and Ranking Members and other Members of the Committee will have very specific questions on their respective areas of jurisdiction.

Mr. Hooks, your testimony was considerably lacking in specifics about projects and projects underway and jobs created. EPA was slow out of the blocks because we heard that—we heard that there are problems with the Buy American Act; that many communities in building interceptor sewer projects or pump stations—pumps aren't made in America. The act requires Buy American, and we all thought that was a good thing. But it would have been useful if EPA had said, oh, there is a problem here; some of the equipment to be purchased here isn't made in America. We could have crafted exemptions.

So tell me—and I also heard from members of the Canadian Parliament who were concerned about their major producer pumps, and regularly sell them in the U.S. marketplace, but they were not allowed to do so under the Recovery Act.

So what have you done to address that issue and how widespread is this Buy American Act as an impediment getting projects underway?

Mr. HOOKS. In some respects I think it is almost too early to tell. At this point in time, we have actually awarded ten waivers for the Buy American provisions associated with the act. And I think we are doing that fairly expeditiously.

One of the things that I know that we are trying to do and that we are doing, is meeting quite extensively with the contractors that are involved with producing and constructing these projects within the form of Web sites, Webinars, what have you.

Right now we are turning these waiver requests around in 2 weeks, as we are learning more and we are able to modify and produce national waivers and also site-specific waivers as time goes on.

To date we haven't denied any waivers. I think we are doing a good job in terms of educating the contracting community, and also we are learning as we go along as well. So at this point in time, we anticipate that there will be additional waivers from the Buy American provisions.

Of course, our goal is for all of the projects to be bought in America. But, in some instances, we are finding that is not possible.

Mr. OBERSTAR. As you proceed—and thank you for that response—but as you proceed and you encounter these issues and questions, please have your staff consult with our Committee staff on both sides of the aisle here so that we understand what is going on.

But, you know, the front line of this program, as at the highway and the bridge program and the transit program, is at the States and MPO and transit agency level. In this case, the SRF, the State Revolving Loan Funds, I noted as I went through our State-by-State tabulation that, surprisingly, South Carolina doesn't have any funds allocated. Is that because they don't have an SRF?

Let me ask, first, Mr. Brown. Are you aware of this; that the State of South Carolina does not have a State revolving loan fund program?

Mr. BROWN OF SOUTH CAROLINA. Well, they do have a revolving fund program. I am not sure why they are not requesting those funds.

Mr. OBERSTAR. Well, they stuck out like a sore thumb to me last night, as I read through the chart, that South Carolina has no funds allocated to it.

Mr. BROWN OF SOUTH CAROLINA. I noticed that same thing, and I noticed that Mississippi doesn't have any either.

Mr. OBERSTAR. Is that that they didn't report, Mr. Hooks, or what?

Mr. HOOKS. At this time there are six States that have not received their allocation. I would predict they are within one or 2 weeks of receiving their allocation. But you are right. At this point in time, South Carolina has not received their allocation.

Mr. OBERSTAR. They have not received——

Mr. HOOKS. We have not obligated the money to South Carolina at this point; yes, sir.

Mr. OBERSTAR. Is that because they did not request—or what is the reason for that?

Mr. HOOKS. Well, all of the States will submit intended use plans to the agency for us to review, where they are in that process. I believe they have actually submitted their use plans. We are in the process of approving it now.

Mr. OBERSTAR. Mr. Brown, I will yield to you now at this time if you want to follow up on that matter.

Mr. BROWN OF SOUTH CAROLINA. Thank you, Mr. Chairman. I noted that we had some problems at the administrative level accepting some of these stimulus funds. These funds were include in that original 700 million, was it?

Mr. HOOKS. Actually, I am not sure what funds you are referring to.

Mr. BROWN OF SOUTH CAROLINA. I know the Governor had problems accepting stimulus money. I am sure you must have been somewhat involved in that. So I guess what I am trying to find is the right question to ask you—why that South Carolina is not included, and what should I do in order to be able to implement the progress?

Mr. HOOKS. I am not sure if that contributed to part of the delay or not.

I do know that for the six States that have not received their funding, we actually are personally visiting those States to offer any sort of technical assistance that we can. We have visited South Carolina and intend to expedite it as quickly as possible.

Again, I would predict that probably within a week or 2 weeks, those funds will be available.

Mr. BROWN OF SOUTH CAROLINA. Okay. If you could keep me in the loop on that, I would appreciate it. Anything we might do from this level to make it work.

Mr. HOOKS. I appreciate that.

Mr. BROWN OF SOUTH CAROLINA. I know we have funded this, Mr. Chairman.

Mr. OBERSTAR. I am not taking away from your time, Mr. Brown. I am yielding you my time. I thought it was an appropriate moment to intercede.

Mr. BROWN OF SOUTH CAROLINA. Thank you.

Mr. OBERSTAR. You also report that State revolving loan funds are leveraging funds. I know in Minnesota I got a report that of the $123 million, the SRF had planned to use some State funds and local dollars and various programs to leverage that into $502 million. But they are woefully behind. I don't understand this. You have done your job. They have allocated their money. Why don't they have these out to contract? We have only eight projects on which work has begun.

In fact, I asked the Underground Utility Contractors Association to give me a list of the sites. I expected 15 or 20 that I could visit during August and personally observe a project. They had only four or five. You have eight listed here.

Have you followed up with these States and prodded them and said, what's going on?

Mr. HOOKS. Yes. Again, like I said, we actually are visiting the States. We are concerned as well. We do know that everybody is working as expeditiously as possible. We have accelerated many of our activities, and we know that the States are accelerating many of their activities as well.

One of the things that I think we had always predicted was starting in the months of July and August, particularly because of the construction season, we expected these numbers to ramp up significantly. We are starting to see that. In fact, the past 4 weeks the pace of outlays has actually increased 85 percent. I suspect in August it will probably even double that, maybe even exponentially.

I think just based on the bidding process, on the borrowing process and the State processes, which vary from State to State, it has taken this long to get to this point. Some States have been more aggressive in terms of their pace versus others, but we are trying to get everybody up as quickly as possible.

Mr. OBERSTAR. I am not going to pursue through all of the witnesses—I just have to ask, Mr. Salt, the legislation prohibited the Corps from funding new starts. Is that a mistake?

Mr. SALT. Sir, I would never say you made a mistake.

Mr. OBERSTAR. We didn't make the mistake. It wasn't our job. It was the Appropriations Committee that said no new starts. We were all for new starts.

Mr. SALT. Sir, sorry I can't tell if it was a mistake or not. I think, obviously, we would have had a different list of work.

Mr. OBERSTAR. I probably could have worded it differently, or you can rephrase your answer. But what the question is really getting at: Don't you have a number of new-start projects that could have been, bang, underway, just like that?

Mr. SALT. Yes, sir.

Mr. OBERSTAR. All right. That is enough. I am sure in the Atlantic Intracoastal Waterway Mr. Brown has cited a number of projects.

I will cease there and recognize the gentleman from Florida.

Mr. MICA. Thank you. First let me turn to the GAO representative, Ms. Siggerud. You testified again about some of the difficulty that you all reviewed, and uncovered in trying to get some of this money out. You talked about the—I thought you said Federal Highway Administration and DOT failed to clarify some of the terms, and then you also said that the Department of Commerce also had difficulty, I guess, in defining the economically depressed areas. Can you elaborate on that?

Ms. SIGGERUD. Yes. The act, the Recovery Act did require that State detainees give priority to projects that had two characteristics: They could be completed within 3 years and were in an economically distressed area. And that definition of economically distressed area is within the Public Works Act that uses a definition that Department of Commerce uses to provide grants.

The initial guidance from the Federal Highway Administration was much vaguer in the way that it described what an economically distressed area was, and provided a fair amount of, shall we say, flexibility to the States, rather than referring specifically to the set of criteria laid out in the Public Works Act and as administered by the Department of Commerce. We are seeing progress as the Department of Commerce and Department of Transportation now work together to arrive on a set of criteria that can be used.

Mr. MICA. They haven't agreed on the criteria yet, or there is confusion at least.

Ms. SIGGERUD. Yes.

Mr. MICA. And is it true that 70 percent of the 17 billion obligated so far is going to go primarily for repaving or some widening? Is that what you found in your study?

Ms. SIGGERUD. What we found is that 49 percent is going for paving and 17 percent for widening, the capacity addition-type projects.

Mr. MICA. So we add them up?

Ms. SIGGERUD. Right.

Mr. MICA. And, again, I use the figure of 6 percent for new—let me see here.

Ms. SIGGERUD. There is 6 percent for new road construction, yes.

Mr. MICA. For new road construction, new road and bridge construction. So those would be bigger, longer-term projects.

Ms. SIGGERUD. Right.

Mr. MICA. So a very small amount.

Ms. SIGGERUD. Mr. Mica, we did find in the State of Florida, the discussion earlier that the State of Florida planned to spend a significantly higher portion on new bridges and on new highways than other States.

Mr. MICA. I don't know if you have seen this, but what we did was take the amount of money that was spent as of the 27th—I guess it is 9/16, but it is still under a billion—47, $48 billion total. And then we took the States with the highest unemployment and the figures show just a few million dollars in some of the States with very high unemployment.

Rhode Island is interesting, too. They are supposed to have a bridge project—I think it was touted—some of their bridge deficiencies, and it looks like most of the money didn't—well, the little bit that has been spent, nothing has been going for those major bridge or deficient obsolete bridge projects.

Are you aware that this—what is happening here with money not going to places with high unemployment?

Ms. SIGGERUD. Yes. Let me mention. Excuse me, I am sorry, I am getting over a cold. Let me mention a couple of things. The way the Recovery Act set up the highway portion of the act was using an existing formula to distribute these funds. It is not based necessarily on economic——

Mr. MICA. There is a problem of clarification of that. And then you said there are problems on the Department of Commerce even defining the depressed area.

Ms. SIGGERUD. Right.

Mr. MICA. Again, we are trying to get to the root of what the problem is, as opposed to why we don't have major amounts of money going on significant projects that will be longer term, and you have done a good job in compiling some of that information for us.

Let me turn, since I don't have too much time, to the FEMA representative. Mr. Ashley, is it? You have 6,000 requests. It seems to take sort of an inordinate amount of time. You said that you won't get those—the money out until when—or the contracts out until the end of the year?

Mr. ASHLEY. 30 September.

Mr. MICA. How many do you have out right now?

Mr. ASHLEY. None, absolutely zero. The application period just recently closed and they are currently in the peer-review process.

Mr. MICA. Are you going to do it incrementally?

Mr. ASHLEY. No, sir. Unlike in the AFG program, we are going to roll these out to get them out faster at the time they are reviewed.

Mr. MICA. It won't be until the end. Maybe we could loan you some staff during the recess to speed up the process on both sides of the aisle.

Mr. ASHLEY. You have to remember, sir, that this is a completely new program, zero authorization language for this program, and the development and the staff——

Mr. MICA. I know. But, again, our job and our intent was to get this money out in a hurry.

GSA, Mr. Costa. Mr. Costa, you have got—you outlined 5.5 billion for green Federal buildings and 4.5 for converting green—buildings to green. Do you know how much money has gone out so far in that effort?

Mr. COSTA. Of the $5.5 billion we have obligated, 1.1 billion as of this time.

Mr. MICA. And actually how much has gone out?

Mr. COSTA. The contracts have been awarded.

Mr. MICA. Yes. I have $34 million; is that correct?

Mr. COSTA. I have no idea what that number refers to, to be honest.

Mr. MICA. Well, I can't imagine you coming to a hearing without knowing the amount of money that has been expended so far. Can you get that to the Committee?

Mr. COSTA. Yes, sure can.

Mr. MICA. But the information I have is 34 million—it is from your Web site.

And then I also notice—and we will make this part of the record—that you have a total of $11.7 billion in unobligated GSA funds as of 7/28/09. I will put this in the record. And you have outlined ways of which you are going to dispose of a fair portion of that.

When will you be able to tell the Committee a good schedule on which you will be able to deal with all of the unobligated funds?

Mr. COSTA. We can follow up with a detailed schedule. Much of those, for instance——

Mr. MICA. But 34 million out of 4.5 billion doesn't sound like you are really greening. Sounds like a little bit of lagging behind, even in that program.

Mr. COSTA. Well, Congressman, again, I can't really—the $34 million——

Mr. MICA. I know. But you are the contracting agency. This isn't like maybe FEMA has new responsibilities. You guys do this all the time, don't you, or the Federal Government?

Mr. COSTA. Congressman, the way—I am sure the $34 million must refer to outlays, actual expenditures.

Mr. MICA. Yes.

Mr. COSTA. And just like any other project, even a home renovation, it is not a good idea to pay your contractor before they do the work.

Mr. MICA. Before the job is done. But so far——

Mr. OBERSTAR. They make progress payments.

Mr. COSTA. Yes, they do.

Mr. MICA. But 34 million out of 4.5 billion, that is like the highway money, too. They have obligated now 59 percent. But we have actually spent 1 billion today.

So, you know, the money has to be spent to pay people to work, to get them employed, to get them to jobs. And, unfortunately, it appears in a couple of areas we are falling behind. But we know you can do better, and maybe we can send you some Majority or Minority staff during the recess to help you along, or at least to nudge you along. Thank you.

Mr. OBERSTAR. We will be continuing this review of that. That is the purpose of this—to this review—is to understand how projects are moving, and perhaps why they are not.

Now the Chair of the Subcommittee, Ms. Norton.

Mr. MICA. Before we go to Ms. Norton, just one second.

Mr. OBERSTAR. I am happy to.

Mr. MICA. I do want for the record and request in writing that we get the rest of the plan for utilization of those—the total amount that I gave, $11.7 billion—to the Committee as part of the record. I would ask that. Thank you.

Mr. OBERSTAR. Without objection. That document will be made part of the record, and we look forward to GSA explaining the unobligated balance issue.

Mr. COSTA. We will be happy to, thank you.

[The information follows:]

Fund	Activity	Total Authority	Obligations 7/28/09	Unobligated Balance As Of 7/28/09
FBF	Construction and Acquisition	2,315,691,788.50	247,971,395.37	2,067,720,393.13
FBF	Installment Acquisition Payments	174,991,706.79	110,747,780.78	64,243,926.01
FBF	Rental of Space	5,326,319,993.33	3,557,353,170.96	1,768,966,822.37
FBF	Minor R&A	405,321,522.20	241,862,197.31	163,459,324.89
FBF	Major R&A	1,250,030,672.48	450,659,108.78	799,371,563.70
FBF	Building Operations	2,534,065,402.09	2,034,556,924.16	499,508,477.93
FBF	Recycling Program	513,204.18	13,152.15	500,052.03
FBF	Energy Program	2,814,454.53	521,246.57	2,293,207.96
FBF	Historic Outleasing Program	11,836,191.63	2,492,893.21	9,343,298.42
FBF	Non-Recurring Reimbrusable	2,707,296,905.62	848,323,785.80	1,858,973,119.82
FBF	Design and Construction	661,854.01	-	661,854.01
FBF - Recovery Act	Federal Buildings and Courthouses	733,703,000.00	127,140,913.50	606,562,086.50
FBF - Recovery Act	Land Ports of Entry	300,000,000.00	49,811,074.05	250,188,925.95
FBF - Recovery Act	High Performance Green Buildings - Full, Partial & Limited Scope	3,982,721,000.00	873,006,301.58	3,109,714,698.42
FBF - Recovery Act	High Performance Green Buildings - Small Projects	298,576,000.00	-	298,576,000.00
FBF - Recovery Act	Building Operations	127,000,000.00	9,270,226.49	117,729,773.51
FBF - Recovery Act	Rental of Space	108,000,000.00	-	108,000,000.00
TOTAL PBS		**20,279,543,695.36**	**8,553,730,170.71**	**11,725,813,524.65**
FBF Total		14,729,543,695.36	7,494,501,655.09	7,235,042,040.27
FBF - Recovery Act Total		5,550,000,000.00	1,059,228,515.62	4,490,771,484.38

Mr. OBERSTAR. Ms. Norton.

Ms. NORTON. Thank you, Mr. Chairman. Indeed, the dialogue you have just been having about expenditures versus obligation is an important one to have, since the point here was to get the money into the economy. Now, once something is obligated, the money can be spent.

You have testified that you expect in the first 8 months 70 percent will be, quote, flowing into the economy. Now, are you referring to funds going to people who are working? Are you simply referring to the amount of obligation in funds GSA shall have been done? Because this is an important difference here?

Mr. COSTA. Yes. No question that 70 percent refers to obligations, not outlays.

Ms. NORTON. To what extent can you hasten outlays? You are absolutely right, you are not going to pay somebody before the work is done. But the Ranking Member is right. You know, if somebody is doing some work, he has to be paid on a—what basis, what basis are people paid?

Mr. COSTA. Basically when we award a contract, a construction contract, the contractor and GSA negotiate a schedule and payments are based on that schedule andcomplete——

Ms. NORTON. Well, you have got a billion dollars obligated, right?

Mr. COSTA. Yes.

Ms. NORTON. And so how do you explain the difference, what the Ranking Member pointed out, between what appears to show up, $34 million, and all of that money having been obligated?

Mr. COSTA. Well, the majority of our billion dollars of obligations occurred over the last 3 weeks. And so what happens very quickly is that contractors start to ramp up, design work occurs, hiring occurs. Hiring really can't occur before a contract is awarded.

Ms. NORTON. I understand that is an important difference. Would you get the Committee and the Subcommittee on a monthly basis the obligation and the expenditure amounts so that we can understand how much money is flowing into the economy?

Because you do appear to be doing a good job in getting these funds obligated, and I do know that that is difficult, because of the necessary—necessary competition that we must do in all Federal contracts. As you could tell by my opening remarks, I am concerned about the apprentice and pre-apprenticeship program. Today the RFP is out; you expect it to be awarded in September.

Given what you know and the preparations you were making all along, the fact that we are just getting an RFP out is extremely disappointing to me. I understand the preliminary work that has been done, but in light of that work, I would like to focus you on the fact that before you have done—before you even did an RFP, you had done a lot of preliminary work on where the unemployment is, on the kinds of organizations that are available.

In light of that work, could we not shorten the time to award a contract so that we don't blow the entire building season? Because the way it is—your schedule has it now— is you don't even award a contract until September. And it looks like we are about to wave goodbye to much of the building season, at least in parts of the country.

Since you have done so much preliminary work, done so much preliminary screening, could you not shorten the amount of time to review the folks who have responded to your RFP so that you, perhaps, could get it out in the middle of August, say, instead of waiting until September or some kind of bureaucratic time frame that you usually set?

Mr. COSTA. We will do our best to quicken the pace.

Ms. NORTON. I would very much appreciate that quickening the pace, if at all possible, to the middle of August.

I have to do double duty here.

I do want to ask a question about St. Elizabeth's. Here we have half a billion dollars that you have for the Department of Homeland Security headquarters. You also have some preliminary money that we had also gotten for you.

The reason I was able to get the remainder of the money included in the stimulus package is jobs. Pure and simple jobs. This is your biggest project. It is the biggest project you have ever done. It is a compound. So you could have a real effect on the economy, certainly of this entire region.

There are two parts of this project. One is building a building, and that building is the first building——

Mr. COSTA. Yes, the Coast Guard building.

Ms. NORTON. The Coast Guard building. But the other is reusing—rehabilitation of historic sites, including the building that the Secretary will be in.

Is there any reason, given the focus on the economy and on getting jobs, why GSA could not be doing the rehab work and the construction work at the same time, getting that money right out into the economy with jobs and all that implies?

Mr. COSTA. We expect to award our first contract——

Ms. NORTON. Now, that contract is for buildings. Please, I have limited time. I am talking about two different kinds of work, both involving infrastructure, but very different work. Construction, that is what you have been focused on. I am putting another question to you.

Is there any reason why you couldn't have, given the focus on work, on jobs, and the fact that this is a huge project, that you could not begin with RFPs and all that goes with it, the rehabilitation work of the reused buildings, buildings to be reused on the old St. Elizabeth's Campus, simultaneously with building the first new building?

Mr. COSTA. The $350 million will be awarded in August.

Ms. NORTON. For?

Mr. COSTA. For the U.S. Coast Guard. And then the next tranche of money, which is in the stimulus package for $450 million, we have actually moved up the award from the beginning of fiscal year 2011 to fiscal year 2010. That package includes construction, infrastructure, and renovation of——

Ms. NORTON. When will that be awarded? Excuse me.

Mr. COSTA. By the end of fiscal year 2010, which is actually sooner than we expected 3 months ago.

Ms. NORTON. Well, why could it not be awarded sooner?

Mr. COSTA. Just because we have to complete design to actually provide the construction documents so they can go out to bid. So that work is ongoing.

Ms. NORTON. I think that I would like to have a discussion with staff on simultaneously pursuing very different kinds of work; that if we hastened the work and didn't see them as two separate kinds of work, almost sequencing them, could get a fair amount of money into the economy.

Mr. Chairman, I didn't get to ask—you are having me do double duty here—FEMA is here.

Mr. OBERSTAR. Yes, but I have to go to other Members. They will stay. We are not going to let them go away.

Ms. NORTON. I will wait until the next round.

Mr. OBERSTAR. Mr. LoBiondo.

Mr. LOBIONDO. Thank you, Mr. Chairman. I thank the panel for being here today.

Earlier this year the Coast Guard informed the Committee—and Mr. Rajk, this is basically for you—the Coast Guard informed the Committee that it had a shore-side infrastructure backlog of about $1.1 billion. Mr. Cummings has talk about this. Mr. Oberstar, I know you are keenly aware of it.

To say I was very disappointed that the stimulus bill only included 88 million is a tremendous understatement. It is only about 7 percent of what is needed to address the backlog. And then to add to this high level of disappointment, the administration followed up with a one-time emergency appropriation, with the request of no funding for the construction. And this is very troubling.

So my question is: Is the Coast Guard simply using the stimulus money to meet recurring annual needs? And if this is what they are doing, how is that stimulative?

Mr. RAJK. Sir, thank you for your question. Essentially what we have looked at over the last several years, sir, is a capacity provided through the appropriations process to address our shore infrastructure. The Congress has been very supportive of that over the last 2 fiscal years in providing between 450- and $470 million for some of our highest priority shore infrastructure needs.

This includes the funding that was provided in fiscal years regular appropriations 2009 and 2010—excuse me, 2008 and 2009—as well as the almost $300 million that was applied to the shore infrastructure in the hurricane supplemental at the end of fiscal year 2008, sir.

So the combination of that with the stimulus money, as we are trying to address those that appeared in the highest priority list or the highest portion of that list that we provided to the Congress previously.

Mr. LOBIONDO. Well, how is the Coast Guard going to manage the over $1 billion backlog, and isn't this going to affect mission readiness and performance?

Mr. RAJK. Sir, I would expect in future years the Coast Guard would address additional funding that would be required to address most of those needs, in the order of priority, with meeting the highest needs, sir.

Mr. LOBIONDO. Well, through you, Mr. Chairman, Mr. Oberstar, I just can't begin to find the words.

We always talk about the job that the Coast Guard does, and, once again, they are underrecognized, underappreciated and now tremendously underfunded.

And I know, Mr. Chairman, you have called the shots as you see them—the good, the bad and the ugly—but I think we are missing—I think the administration missed a real opportunity here. We could have made a much needed investment into the Coast Guard.

We keep talking about how much more we are asking them to do and how much we are depending on them.

And I hope, Mr. Chairman, that through your influence and that of Mr. Cummings and this Committee and our Subcommittee, that we will find a way to remedy this tragedy that is once again happening to the Coast Guard right in front of our eyes.

And just finally, Mr. Rajk, for you, in your testimony you said that there are seven shore-side projects that are being funded with the 88 million. Can you tell the Committee how much funding each project will receive?

Mr. RAJK. Yes, sir. I think it is in my written statement that was submitted for the record, sir.

Mr. LOBIONDO. Okay. I thank you.

Again, Mr. Oberstar, we have talked about this on many occasions, and, with Mr. Cummings, I think we have got a very bipartisan effort on behalf of the Coast Guard.

And as we go through these tremendous trying times with homeland security challenges and maritime antiterrorism initiatives, I think that we have got to find a way to raise a level of awareness for the Coast Guard and ensure that they have at least minimum funding necessary. And 88 million out of a $1.1 billion backlog, in my book, doesn't even come close. Thank you.

Mr. OBERSTAR. Well, I concur with the gentleman, and when our Committee reported or contributed our portion to the Recovery Act—of course, this was done as an appropriation bill—we had over $8 billion for the Coast Guard. That got cut back before it went to the floor, but then it got cut back even more in conference.

We anticipated funding. We envisioned funding for Coast Guard assets—cutters, and for the new ice breaker, a second ice breaker for the Great Lakes to facilitate coal and iron ore shipments and other agricultural products that shipped through the St. Lawrence Seaway but need the Great Lakes to get there.

All that was cut back—and I have to be candid about it, with the participation of the White House—it was shortsighted, and that is why we are having these hearings.

So the good, the bad and the ugly.

Mr. LOBIONDO. The good, the bad and the ugly. I appreciate that. We went through this with the previous administration, with the Bush administration. Much to my dismay we got rolled—our Committee got rolled. Appropriators and the White House went out on these things.

Mr. Chairman I have tremendous confidence in your ability to raise the level of awareness and be effective, along with other Members of the Committee, to make sure we don't get rolled again. Not us being rolled, but the Coast Guard being shortchanged.

These men and women who are putting their lives on the line, they don't have these shore-side projects. If they don't have the money necessary, we are doing a terrible disservice to their service to our Nation, what they are giving back to this country, and we are doing a terrible disservice to the mission of the Coast Guard.

And I thank you very much for the opportunity.

Mr. OBERSTAR. Thank you for your continued vigilance and passion for—as Mr. Cummings—for this very, very important agency of government.

Mr. OBERSTAR. Ms. Brown.

Ms. CORRINE BROWN OF FLORIDA. Thank you, Mr. Chairman.

Many Members think when we pass a bill, that it is the end. But I know, having been here for 17 years, it is the beginning. So I want to thank you, Mr. Oberstar, for having these hearings so we can do our job as far as accountability and oversight, and find out where we are.

The Wall Street Journal recently did a study and said that only 20 percent of the dollars was out and that Florida ranked dead last with the amount of funds.

I want to know why that is the case, and is it something that the State of Florida—did we not apply for a waiver?

What is the problem in getting the money out? Twenty percent of the dollars that we have put in the stimulus package, and Florida dead last.

Everybody doesn't have to speak at once.

Ms. SIGGERUD. Ms. Brown, if I may.

Ms. CORRINE BROWN OF FLORIDA. Yes, ma'am.

Ms. SIGGERUD. If you are referring to the highway projects, we looked at a number of States across the country, including the State of Florida, in our work.

And the State of Florida does stand out somewhat from other States in terms of choosing projects that are largely new construction, both on the highway side and on the bridge side of the work. These are projects that are more complex and appear to be taking longer to bid and to get out to contract than some of the other States that we have reviewed.

Mr. OBERSTAR. The gentlewoman wasn't here at the outset, but I pointed out the States who were doing the best and those that were doing the worst. And Wyoming was doing the best, and Florida was 49th or 50th in getting their recovery funds under contract. Now, this is a partial explanation.

But Mr. Mica and I are going to follow up on this hearing. And before our next hearing in September, we are going to write to those lagging States and DOTs and find out why you are not getting the projects out.

Ms. CORRINE BROWN OF FLORIDA. Well, Mr. Chairman, you spoke to the Secretary of Transportation yesterday.

Mr. OBERSTAR. I did.

Ms. CORRINE BROWN OF FLORIDA. So why don't we invite her to come and give us an update at the next hearing?

Mr. OBERSTAR. This hearing was to be on the other Federal agencies, and the next hearing will include those. So during August we will write to all these lagging indicator States and put them on notice and ask them for information and invite them to our next hearing, yes.

Ms. CORRINE BROWN OF FLORIDA. Thank you. Well, but water. Can you speak to water? We need it.

Mr. HOOKS. Well, I would agree with you. In fact, the difference between obligations and outlays is tremendous. I don't know what the specifics are for your particular State. The reporting requirements don't start until October, and then we will have that data.

But, you are right. The delta between obligation and outlays is tremendous.

I think of the things—and when I first started this process, I actually kind of do this in two chunks. You know, I thought we needed—we, as Federal, speak to EPA. EPA needed to accelerate what we needed to do to make the money available to the States, obligate the fund. And then I thought we were really going to move into kind of a management and oversight mode.

What I am realizing is that we have basically had to create another section of work for EPA, and that is to help the States get this money out. And that is what we are kind of readjusting ourselves to do now by either visiting the States, making our contract dollars available to the States, to a system with their solicitation and bids, to help them with difficulties in the Buy American provisions, doing whatever we can to facilitate the States increasing their outlays.

You know, I think it is important to also bear in mind that the work actually starts before outlays actually start to be paid out. So there is a little bit of a small delta between how much work is actually taking place versus the outlays that you will see in some of the charts.

But I agree with you, the overall work between delta and outlays is so large, there is a lot of work that has yet to be done.

Ms. CORRINE BROWN OF FLORIDA. My last question: Have you found that the States are trying to use these dollars to balance the budget? I mean, we are all in a crunch. But if we bit the bullet to raise this revenue to stimulate the economy, are the States doing what we are asking them to do? Are they trying to circumvent what we are trying to do; in other words, take our dollars and use theirs to balance the budget?

Mr. HOOKS. Sure. To date we have not seen any evidence of that taking place.

Ms. SIGGERUD. Congresswoman Brown, on the highway side, GAO is looking at this maintenance-of-effort issue. As you know, it was a requirement in the act. Every State, including the State of Florida, has certified that it will not supplant Federal dollars with—State dollars with Federal dollars. But the actual following of those dollars is a more complex challenge that we will be taking on and reviewing the Department of Transportation's work as well.

Ms. CORRINE BROWN OF FLORIDA. We will count on you doing it. Thank you, Mr. Chairman.

Mr. OBERSTAR. Thank you, Ms. Brown, and we will be following up on those matters, as I previously announced.

Mr. Brown.

Mr. BROWN OF SOUTH CAROLINA. Thank you, Mr. Chairman.

Mr. Hooks, back to the original question that we were talking about, I noticed that maybe we have some 40 million that has been assigned to South Carolina but hasn't been actually dispatched yet.

Does anybody in your group that is with you, could they give me an answer, why that has not taken place?

Mr. HOOKS. Perhaps. I am not sure. It would probably be—some of those questions can be fairly complex in trying to determine where exactly in the many steps that are involved in getting money out the door.

I would be happy to get back and report back to you, to your office.

Mr. BROWN OF SOUTH CAROLINA. Okay. We have gotten a report back that you all were waiting on having a press conference before the money was distributed. Is that normal procedure?

Mr. HOOKS. I think there have been many press conferences involved in announcing various releases of money for a variety of programs that EPA is responsible for. Typically those time frames are fairly short; that once the money has been approved, the award announcement follows almost the very next day or within a couple of days.

Mr. BROWN OF SOUTH CAROLINA. Okay. If you really see a problem along the line, I appreciate you contacting me and my office so we could try to expedite it.

Mr. HOOKS. I appreciate that.

Mr. BROWN OF SOUTH CAROLINA. Thank you.

Mr. Salt, I noted the Chairman asked a question about new starts. Is that a policy that you are following with the stimulus funds, too?

Mr. SALT. I think the question was how big an impact was the part of the legislation that prohibited new starts?

Before the act was finally passed, we had started putting lists together of projects that would qualify, and a number of those were new starts. When that part of the legislation was included, those projects dropped out.

And so I think—was it a mistake? Well, it is a different list. We had our criteria for ranking and selecting projects, and when those projects fell out, we just went down to the next projects in our criteria of ranking.

Mr. BROWN OF SOUTH CAROLINA. And so there are no new starts in the stimulus funding either, then?

Mr. SALT. That is correct, sir. But that is by statute.

Mr. BROWN OF SOUTH CAROLINA. So we need to change a statute?

Mr. SALT. Well, yes, sir. Were the statute to be changed, then we would have had other projects on the list. All but just a small amount of the funding has been allocated to projects. I think, if you were to change the law now, that would mean taking something off the list to put something else back on.

Mr. BROWN OF SOUTH CAROLINA. I know Mr. Hooks said they were able to override the policy based on Made in America. But you don't have that option in new starts?

Mr. SALT. That is correct, sir. In fact, we inadvertently included projects within programs that had been funded. But the determination was that the specific wording in the act talked about programs, projects, or activities. And we had to withdraw certain projects from our original allocations because of that.

Mr. BROWN OF SOUTH CAROLINA. Okay. Thank you.

Ms. Siggerud, we talked about, I guess, the slowness of the process moving. And my question is: How many States are at risk of losing their funds by not meeting the deadline?

Ms. SIGGERUD. Well, there are a number of different deadlines. All States met the first deadline to obligate 50 percent of funds by June 30. There is another deadline in March of next year when 100 percent of funds need to be obligated, and then, finally, another deadline 2 years later, by which time the funds must actually have been outlaid.

So at this point, it is early to say whether any States are in particular jeopardy. The first deadline has been met by all States.

Mr. BROWN OF SOUTH CAROLINA. Okay. So I guess the proposal would—then it could be 2 years before this money has to be spent?

Ms. SIGGERUD. Yes, because of the nature of the Federal Aid Highway Program. And that is the model being used here in the Recovery Act. It is a reimbursable program. So once projects are identified, the contracts do need to be bid and let. And then as contractors submit vouchers to the State, the State can be reimbursed by the Federal Government for those projects. So it is something that plays out over time, even if you do identify the projects early on.

Mr. BROWN OF SOUTH CAROLINA. Thank you very much. Thank you, Mr. Chairman. I appreciate you holding this hearing.

Mr. OBERSTAR. I thank the gentleman for that question. It is a very important one, and I think the outcome would have been considerably different if our Committee language had prevailed.

What we proposed, what we submitted to the Recovery Act team—which consisted of the Appropriations Committee, Ways and Means Committee and the Obama team—was 90 days. Under contract, no obligation, or lose the funds.

We met with great resistance from the Senate and from the White House team who said, oh, that is too hard on the States.

I said, no; ASHTO submitted to us in December and again in early January and testified right here in this Committee room that they had 5,800-and-some projects that were designed, engineered, right away acquired, EIS completed, ready to go to bid, and we will hold them to that.

But putting funds obligated language into the bill gave an escape hatch for the States. It is easier to obligate than it is to put it under contract. Keeping our original language would put a blowtorch on the behind of these State DOTs, and they would have had projects under contract sooner.

Mr. BROWN OF SOUTH CAROLINA. And get people back to work.

Mr. OBERSTAR. It would have been a lot better.

But we were undercut in this process by Senators and others who were claiming, oh my goodness, this won't work; be too burdensome on the States.

Baloney. They all testified right here in this Committee room saying we can do this. And then after they thought about it for a while they said, oh, maybe we can't.

Well, we should have kept our original language.

Mr. Cummings.

Mr. CUMMINGS. Thank you very much, Mr. Chairman.

Mr. Rajk, of the $98 million provided to the Coast Guard RACI account, $88 million to be directed to the rehabilitation of shore facilities of the Coast Guard, the Committee has received extensive testimony regarding the backlog. And I think Mr. LoBiondo—who, by the way, I agree with every syllable that he said.

But I am particularly concerned about housing. As I travel throughout the country speaking to Coast Guard personnel, one of the biggest complaints is housing.

And I have told them that as a Chairman, I am their number one constructive critic, but I am also their number one advocate and cheerleader. And certainly if we don't, you know, have housing for our people, it is kind of hard for them to be at their very, very best.

And that said, I understand that only one contract for sure, for shore facility project, the $7 million project for the Cordova building project in Alaska, has been executed to date.

And I further understand that this was an option on an existing contract; is that correct?

Mr. RAJK. Yes, sir; that is correct.

Mr. CUMMINGS. And so what did that mean? In other words, it was already—I mean, that was just ready to go, and what does that entail?

Mr. RAJK. Yes, sir. There was a four-phase project for the housing crew and family of the Coast Guard Cutter Sycamore in Cordova. This was phase 4, which was actually completed; four structures or duplexes for eight housing units, for a total of 26 family housing units at that location, sir.

Mr. CUMMINGS. And that was—was that the only one?

Mr. RAJK. I am sorry, sir?

Mr. CUMMINGS. Is that the only housing project?

Mr. RAJK. Specifically in terms of the family housing, yes, sir. That is the only project. The way we looked at this, sir, if I might, is there are two other aspects of providing housing, safe and capable housing for our personnel, sir, is at Yorktown where we have a training center.

What we have done there, sir, is the stimulus money will be used to upgrade and enhance the water system on Yorktown Training Center, and to include safety for the sprinkler system, fire and safety system.

In addition, sir, we are constructing the first phase of a multiphase project, in Elizabeth City, North Carolina, for the Aviation Technician Training Center, to replace an aged building which in and of itself does not have fire suppression systems in it. So we are bringing that up to code and bringing it closer to the actual training center at that location, as well as moving it away from the runway at the airfield there.

Mr. CUMMINGS. So with regard to the treatment—our bridge program—it is my understanding your testimony indicates that $142 million provided for the program through the Recovery Act is being combined with $120 million, is that correct—from earlier funding—is that correct?

Mr. RAJK. Yes, $120.22 million previously appropriated.

Mr. CUMMINGS. And that all of the bridge projects are expected to begin construction this year; is that right?

Mr. RAJK. Yes, sir; that is right.

Mr. CUMMINGS. Now it is also my understanding that no disadvantaged business requirements attached to the funding distributed through Truman Hobbs; is that correct?

Mr. RAJK. Yes, sir; again, unless the bridge owner is the contracting activity in this particular case, and then we would reimburse the bridge owner. So the extent to which they award the procurement processes in the State in which they will conduct the business may have requirements for that, sir. But that has been incorporated. But there is nothing in particular here.

Mr. CUMMINGS. Even if there is no specific requirements, is the Coast Guard making any effort to promote the use of disadvantaged enterprises on the bridge projects? And the reason why I ask you that is you probably know there was a scathing report about the Coast Guard with regard to the Office of Civil Rights which was actually—the Coast Guard actually requested a report.

And the report came back and had some very not-so-kind things to say about the Coast Guard with regard to their Civil Rights Office.

We have been able, with the help of our Chairman—and certainly are able to correct a lot of that. But I am just wondering, is there any encouragement that goes out to—although there is not a requirement—to at least suggest that some of these people look at disadvantaged businesses and give them opportunities?

Mr. RAJK. Sir, I don't know that there is anything specific. I think that on each of these four projects, the program office is in constant dialogue with the bridge owner, and will continue to do that. If that is an area that we should look at, we will go back and work through the program to do that, sir.

Mr. CUMMINGS. I see my time has run out. Thank you, Mr. Chairman.

Mr. OBERSTAR. We will follow up on those issues. The gentleman is right on.

And as I said, I designated Ms. Napolitano to coordinate the Minority issues involved here, and she and Mr. Clyburn's staff are working together on it. So we should have a meeting probably in September to look at this. But over the recess, staff will continue to follow up on these matters.

Mr. Shuster.

Mr. SHUSTER. Thank you, Mr. Chairman, for your patience and for having this hearing today. I have learned a lot.

My question deals with Ms. Siggerud. Did I pronounce that correctly?

Ms. SIGGERUD. Yes.

Mr. SHUSTER. Thanks. I have been working on it for the last 20 minutes.

In your testimony, in your written statement, you talked about maintenance requirement efforts. And that is something I was very concerned about when the stimulus went out, and I thought the States were going to struggle, and what was going to happen was the Federal money would fill the hole in the State budgets. And it appears in your written statement that you address that a little bit, mentioning Illinois and Mississippi facing challenges.

Mr. SHUSTER. So could you talk about that? How many States did you talk to? You just have the two here. I assume you talked to a lot more than that, and what was the across the board——

Ms. SIGGERUD. We have an ongoing case study until September of next year of 16 States and the District of Columbia on highway and transit programs and a variety of other Recovery Act issues. In every State we did talk with the State DOT about what I call both the form and the substance of the maintenance of effort.

The actual letter that was required to be given to the Department of Transportation, that took some time to work out in a number of States, as well as in the substance the extent to which the State is actually able to fulfill that requirement.

Many States are in very significant fiscal distress. I think this is something that the Department and GAO needs to keep an eye on. We won't really know how this all turned out, though, for some time because it is a requirement that applies over a period of time.

Mr. SHUSTER. Again, the numbers were 16 States.

Ms. SIGGERUD. Sixteen States and the District of Columbia. And Pennsylvania is one of the States we are following.

Mr. SHUSTER. And they have all—they are all obviously experiencing the same kind of——

Ms. SIGGERUD. Yes, to different levels, depending on the budget situation in the States, but everyone is worried about it, yes.

Mr. SHUSTER. And it always seems to me that, whether it is the Federal Government, the State government, or local government, transportation infrastructure always seems the easiest to cut; and when we cut it takes so long for us to catch—and that is what, of course, we are facing now with the Chairman trying to move a bill that the States are crying out for, that we leave the funding out there. So, again, I was concerned that would happen; and it appears that it is.

A second question, directed to Mr. Costa and Mr. Salt. A lot of this money—very small amounts of this money has not—or has gone out, and there is huge pots of money that we don't seem to be moving that quickly on. It seems to me that in the situation that we face we should have looked to Minnesota and what they did on the I-35 bridge and the speed with which the money went out. And I think a big component of that, and I may be wrong, but was design-build. And how much are we doing that at the GSA?

And I don't think we are doing much. I don't know if you are doing anything on the design-build at the Corps of Engineers. And it seems to me with stimulus money this is the time to employ that strategy.

So can you talk about how much design-build you have put out there? Because my understanding is it saves maybe 20 to 30 percent of the time that it takes when you go through the normal process.

So either of you want to take that first? What are we doing on design-build?

Mr. COSTA. Traditionally, GSA had not used design-build extensively, but with Recovery Act projects we actually are—a majority of our projects will be design-build contracts.

Mr. SHUSTER. What kind of percentage are you talking about?

Mr. COSTA. I was just searching through. I can provide that.

Mr. SHUSTER. Is that something you can get?

Mr. COSTA. Yes.

Mr. SHUSTER. It would seem to me this is a situation where we need to employ this strategy to get the money out there, so I would be real curious to see what you are doing on that at GSA.

Mr. SALT. Sir, as we did the project lists and started getting the money, we had more projects ready to go than we had dollars, and so part of what we are seeing right now is just, particularly in the O&M, as soon as those projects are ready we are taxiing those out and it is happening.

On the construction side, there are other factors that affect a schedule for a construction project. But in our criteria I think the Corps does design-build. As you say, that is an effective technique.

In the case of the stimulus, we were focusing on projects that had designs completed or that were nearly complete so that we could just go ahead and proceed with that.

I don't know the direct answer to your question. I don't know how many design-builds were built into our Recovery Act program.

Mr. SHUSTER. My understanding is that the Corps has typically not utilized a design-build that frequently, and I would like to see what you are doing on design-build. Because as we come out of the economic downturn I believe that is something that the Corps ought to be looking at. Because I have talked to many folks in Pennsylvania that say that is something they haven't seen the Corps use, so I would encourage you——

First of all, if you could report back to me what you are doing on that, both of you, and as we go down the road look to that design-build technique.

I see my time is expired. Thank you, Mr. Chairman.

Mr. OBERSTAR. The gentleman raised a very important issue here. And GSA, I noted in the details of testimony, are moving to a design-build approach on a number of these larger projects in particular.

The Corps of Engineers generally has not used this practice. Because of the nature of the Corps work, they are the design people, and they have the engineering staff that puts the projects together, lays out the details of how they are to be undertaken in, say, building a lock or doing a lock pool construction or harbor maintenance project and then they put it out to bid.

We will have to explore that in a future hearing with a lot of resources of the Subcommittee on the extent to which design-build might work. You raised a very important issue and a very interesting one.

Mr. SHUSTER. Thank you.

Mr. OBERSTAR. Ms. Hirono.

Ms. HIRONO. Thank you, Mr. Chairman.

I have been visiting a lot of projects throughout my district that is using our funds, and I am sure my colleagues are doing likewise. It is a good way for us to find out what is happening on the ground, so to speak; and I am going to describe a situation which I am sure other States face.

This has to do with the Army Corps having selected in my district two harbor dredging projects for our funding use. Shortly thereafter, an hour was passed before we passed the Omnibus Appropriations Act. So when Congress passed the Omnibus Appropriations Act I am told by the Honolulu District of the Army Corps that appropriated funds must be used first. Therefore, we will be having to turn back most of the RA funds for these projects. And we already have a lot of new start projects ready to go, ready to move to the construction phase.

So, Mr. Chairman, I hope that there is something we can do to make sure that these RA funds that are coming to the various States actually are able to be used for that purpose; and if that means that we need to amend the law so that new starts can access these funds I think we need to do that.

And, Mr. Salt, if you have some other suggestion or a way that we can make sure this happens I would be happy to hear it, although that is just part of my question. If you can keep your response short.

Mr. OBERSTAR. If the gentlewoman would yield, I did raise this matter earlier with Mr. Salt. We did not have a limitation on the types of projects that the Corps could undertake when we contributed our portion, our Transportation and Infrastructure Committee portion, to the Recovery Act. But when it got into the appropriation process, in the hands of the White House and to the Senate, they put this limitation in its part of the law. So you are right. We would have to change that. We would have to change the law. And I think it was a mistake.

Ms. HIRONO. Yes. And it is really manifesting itself in a real way on the ground.

In addition, on these two particular harbor projects sand is being dredged from those harbors and they could be cleaned and used to replenish eroded areas. However, I have been told that our funds from these projects cannot be used for this purpose because sand cleaning is not considered construction, even if the sand is as a result of the construction activity. So all these tons and tons of sand will have to go to a landfill, which is already a huge problem for us in Hawaii.

So, Mr. Salt, is this a matter of interpretation or is this again a limitation that we have put into the use of our funds?

Mr. SALT. Congresswoman, I don't think this is a Recovery Act issue. As I have gone around, I, too, have been concerned that we don't seem to think very completely about how we best use dredge material and particularly how we use it; if it is contaminated, obviously, we have to deal with that in a safe and appropriate way. But if it is available to put it on a beach, our cost-sharing protocols for doing that are sometimes disincentives for doing things that are the smartest answer for our people and for the public, for the Nation.

I don't have an answer for that, other than it is an issue that we are trying to work through, not just with the Recovery Act but with the beneficial use of dredge material in general. I know the Committee has given us authority with respect to that, and I think we are trying to look hard at it. I agree with your point, that if we are not careful, we constrain yourself into answers that don't make a lot of sense. So in that sense I agree. I don't think it is a Recovery Act issue. I think it is a more general policy issue that we are working on.

Ms. HIRONO. And what is the time frame? Because this dredging activity is happening right now, and there is all these piles and piles of sand that we could use in a beneficial way. So could you just move rapidly and can my office talk with you so that we can resolve this in a sensible way?

Mr. SALT. Yes ma'am. We will get back with you.

Ms. HIRONO. And apparently this is a situation that affects other districts.

Mr. SALT. Yes.

Ms. HIRONO. Since I have a little bit more time, I commend you, Mr. Salt, for the fact that you are sending—a lot of your contracts are with small businesses. And I hope that the other testifiers are doing the same thing, especially GSA, with regard to the contracts that you are letting, that you are focusing on small businesses and encouraging the use of smaller contractors.

Thank you, Mr. Chairman.

Mr. OBERSTAR. I will look forward to your response.

I think your comment is correct, Mr. Salt, that this is a broader issue than Recovery Act funds, and it is a question of basic underlying policy. And that is a matter that will be properly disposed of in our next Water Resources Development Act.

Mr. Boozman.

Mr. BOOZMAN. Thank you, Mr. Chairman.

First of all, I would like to thank Mr. Ross Ashley from FEMA. I understand that he'll be leaving government service this fall, and I want to take this opportunity to thank him for his service.

Mr. Ashley took over the Department of Homeland Security's grants department at a time when it was having a fair amount of problems. At the time, the grant dollars and guidance were coming out late; and the States and first responders were pretty unhappy about that. Mr. Ashley made a concerted effort to work closely with its stakeholders to improve its programs and release grant funding more quickly.

Again, I just appreciate you for your hard work and for your service; and I and I know the rest of the Committee wishes you the best of luck in your future endeavor. So thank you very much.

Mr. ASHLEY. Thank you, sir.

Mr. BOOZMAN. Mr. Salt, the American Recovery and Reinvestment Act provides more than $2 billion for operation and maintenance to the Army Corps of Engineers, the intention which was to adequately operate and maintain our water resources and provide jobs. However, in the tables that we were provided, a large portion of the funding will go to surveys and upgrading tide gauges, things of that nature. Can you explain how these activities help stimulate the economy and provide jobs?

Mr. SALT. Well, I would say that all of the work that we are talking about in the Recovery Act is provided through contracts or contract instruments to the private sector to get the work done. So, in that sense, those kinds of operation and maintenance activities are work for people, not government employees but for people, private-sector folks, who do that work.

I would say that by far the majority of the dollars that we are spending are going to the kinds of things you would expect, the larger kinds of things, dredging and maintenance of our facilities and those sorts of things. I would say there are items, as you described, but none of our work is done in-house in that sense.

Mr. BOOZMAN. Thank you.

I guess you know again Water Resources, the entire Committee, I think all of our efforts are really trying to see how we can really get people-to-work work.

Kind of a related thing, the Congress has not received an Army Corps of Engineers report in 3 years. Are stimulus funds being used to complete the chief's reports? How many chief reports should Congress expect by the end of 2009 and how many by the end of 2010?

Mr. SALT. I can't speak for the Administration on that. My goal would be to have many.

When I ask that question—and we have those conversations—the comfortable answer is less than 10; the aggressive answer is up to 25 or so. And in that delta are projects that will fall out because they aren't ready.

I think it is a priority at the Administration to engage in conversations with the Committee over the next year and to not sit on our hands and force the Committee to do all the lifting but rather to come forward with some ideas about how we would proceed and then to have a good effort between the Executive branch and the Congress about not only a new set of projects with a Chief's Report but also with a series of policy initiatives like the Chairman was talking about before, such as a beneficiary use of dredged material and things like that.

I think there are a number of areas that we are discussing now, and it would be premature for me to get too far along that line other than to say it is an important priority for us.

Mr. BOOZMAN. What I would like to do is yield the remaining few seconds that I have to Mr. Shuster. He has a follow-up question.

Mr. SHUSTER. Just a question.

And the Chair made a point about the Corps set up to do much of the design. And I am not sure. So the question is, I thought the Corps was giving up or putting some of that design responsibility out there to the private sector. Is that—what percentage? I still think you do quite a bit of design, but I am not sure, actually.

Mr. SALT. A lot. I am told more than half of our design work went out to the private sector.

As the Chairman pointed out, there is not a big market for a number of the things the Corps does, such as, great big concrete structures; and so there are types of work that the private sector isn't really tuned to do.

Mr. SHUSTER. So about 50 percent.

Mr. SALT. About 50 percent.

Mr. SHUSTER. I see I have exceeded Mr. Boozman's time, so I yield back.

Mr. OBERSTAR. That is a very important point. I am glad you raised it. And thank you for your response, Mr. Salt.

Ms. Richardson.

Ms. RICHARDSON. Thank you, Mr. Chairman.

When I looked at the intentions of the American Recovery and Reinvestment Act, if we looked at the objectives which are—right now I am looking at Mr. Ashley's testimony on page 4. The Recovery Act was signed into law on February 17th in 2009 and its objectives were straightforward: To preserve and create jobs and to promote economic recovery and to assist the most impacted areas by the recession. So my question is, Mr. Ashley, of the 6,000 applications that were submitted how many meet those top two objectives and are they in economically distressed areas.

Mr. ASHLEY. Great. Thank you very much for that question. When we went and did our outreach with all of these different organizations to include the fire services, as well as the National Association Towns and Townships, Conference of Mayors, NGA, and all others, we did take their inputs into what did they mean by economically distressed. So one of the large factors inside of the program is, we are determining in the 6,000 applications that are currently under review, is how many more firefighters is it going to put on a fire faster, how is it going to provide for firefighter safety and then also balancing that with a heavily weighted factor of is it coming from an economically depressed area. Because actually we want to do two things at the same time; one stimulate the economy with the jobs that are anticipated to be created under this program, but we also want the dollars to be going towards a place where it is going to provide an added capability to the fire service as well.

Ms. RICHARDSON. Well, Mr. Ashley, with all due respect, I represent California's 37th Congressional District. In that district is the city of Compton, which prior to this whole collapse, had an unemployment rate of 19 percent and now it exceeds 22 percent. So it is my intention, and the only reason why I voted for this bill, is that you would maintain the first two objectives of the stimulus. And so I would like to go back for you that although you have the goal that you have, and I agree with it and I think it is important, but your top two objectives of what we authorized for this bill is to preserve and create jobs and promote economic recovery, and to assist those most impacted by the recession. So again, I am going to ask you the question, do you know of those 6,000 applications, which ones meet these two criteria?

Mr. ASHLEY. To some degree, I would imagine all 6,000 do.

Ms. RICHARDSON. Can you supply to this Committee a map of the 6,000 applications and where they in fact do follow this particular area and that they are in economically distressed areas?

Mr. ASHLEY. Define economically as distressed.

Ms. RICHARDSON. Well, I think we through this——

Mr. OBERSTAR. Excuse me, the Act defines economically distressed as described by the Economic Development Administration and the U.S. Department of Commerce. It is spelled out in the Act. It was my language.

Mr. ASHLEY. We can provide that data as provided by the individual applicants that have put the applications in.

Ms. RICHARDSON. Thank you, Mr. Chairman. So what I would like, Mr. Chairman, as we can hear from the testimony, that although we took great pains in this Committee to ensure that it was clear, the actual implementation into the communities is not necessarily consistent. So if you would agree, maybe we can send a letter to the various agencies that are using these funds to reiterate what the objectives are of the Act that we passed, and to make sure if they are not clear, which it seems like today I don't think Mr. Ashley is clear, of what that definition is so we can ensure that the money is being spent appropriately. Further, Mr. Chairman, what I would like to suggest maybe that we request, this is an excellent tool, and I am using it in my district, and I am sure other Members are as well, but it might be helpful to expound upon it a little further and to include information of what were the existing or saved jobs that we achieve through these, through all of these projects.

Mr. OBERSTAR. That information, if the gentlewoman will yield, will be available in our September report, end of August report.

Ms. RICHARDSON. Perfect. And if we could, since we have time to plan, the numbers I would be looking for are what were the existing and saved jobs that were preserved, what were the new jobs, which I think there is a category here, of these projects, how many are in economically distressed areas, how many are benefiting small businesses, minority owned and women businesses. And I know you are always on it, so I look forward to September of us having this information. And you were kind, Mr. Chairman. And I would like to say for the record when we talked about supporting this bill, you committed to the fact that yes, these were our objectives and you would work on our Committee to achieve it. So thank you, sir.

Mr. OBERSTAR. And we are following up on that. And we have sent notices to all the agencies and to the States Departments of Transportation, transit agencies and all the rest, that that level of detail is expected in the end of August, mid September report on which we will have a further hearing.

Ms. RICHARDSON. Thank you sir.

Mr. OBERSTAR. Mr. Carney, you have been very patient. You are one of the first ones here, and unfortunately one of the last to have at it with our panel.

Mr. CARNEY. The trials of being a sophomore sir, but thank you for the recognition. I would like to continue, Mr. Ashley, along this vein with fire grants. There are 6,000 or so applications. What are you doing to make sure that there is going to be sort of regional equity when you are distributing these funds?

Mr. ASHLEY. As you are aware, there is no authorization language. This is a brand new program start. What we set out for in the guidance was a goal to, but not a strict adherence to, the existing AFG allocations, which is pretty straightforward in looking at rural, volunteer, urban and such as a goal. Until we go through the complete review of the applications, looking at economic need and looking at does a community need a new fire station, we won't know exactly how that regional distribution will look.

Mr. CARNEY. Well, there is an aspect of this, of the air money for the fire grants that is somewhat troubling to me. It is not that I disagree with its intent, but there seems to be a waiting toward sort of a response to terror.

Mr. ASHLEY. No, sir, there is no categorical inclusion nor criteria that ties to any nexus of terrorism.

Mr. OBERSTAR. Will the gentleman yield? That is not correct. Every volunteer fire department is required to submit in this application for funding a showing of connection to Homeland Security and terrorism. And I have raised that issue with the previous administration and with Secretary Napolitano. And that is unnecessary and an obstacle and an impediment and it is wrong, and I am glad you raised that point.

Mr. CARNEY. Well, I appreciate it. Because as we sit here at this moment, I have been on my BlackBerry with my staff. Several counties in my district are now under flood warnings. And it is the local fire that responds to these floods. And they are disadvantaged if they have to find some terror nexus here in terms of getting funds. Now, that is quite a concern to me and to the 14 counties in the rural areas that I represent. And these are the local community volunteer responders that we are trying to help here. And they will be pulling on their boots and have pulled on their boots and are monitoring the creeks and sandbagging right now. And they are doing it with frankly antiquated equipment. And if they are disadvantaged because they can't find a terror nexus in this particular job, I think we need to rethink this whole thing.

Mr. ASHLEY. If I might, sir, there is no selection criteria under any of these grants that require any of the categories when you go through the 12 categories of what they are applying for that ties it to terrorism.

Mr. CARNEY. Well, the administration's fiscal year 2010 budget seems to go the other way on that. I think we need to get to the bottom of this. I also had a question for Mr. Salt and Mr. Costa. When we talk about projects, and Mr. Salt this probably more for you, do we look at life cycle costs of a project when the Corps wants to do something.

Mr. SALT. As the project is formulated and brought to this Committee for authorization the overall analysis includes a life cycle analysis of the project.

Mr. CARNEY. Do we consider alternative sorts of construction materials, maybe composite materials, versus steel or iron or any other kind of materials in terms of what it costs over the life cycle of a project.

Mr. SALT. I think you should expect us to do that. I can't report to you how well we are doing those sorts of things. I would want to say yes that is part of our responsibility.

Mr. CARNEY. Okay. Very good. Well, if that is not the case truly, perhaps Mr. Chairman, we could look into drafting some legislation to that effect. Thank you very much. Mr. Costa do you.

Mr. COSTA. Congressman yes, we do include life cycle cost analysis in basically choosing our project's materials. It is a pretty core part of how we look at doing our business.

Mr. CARNEY. And do you look at—Mr. Salt.

Mr. SALT. I just wanted to as a follow-on to my answer, as part of our regular process there is a value engineering step where outside experts take a look at our designs and make the kinds of cost saving recommendations that you are talking about as appropriate.

Mr. CARNEY. Mr. Costa, go ahead.

Mr. COSTA. Well, I have just been handed a card.

Mr. CARNEY. So it is good.

Mr. COSTA. No, it is good, it is good. That this Committee changed the law so that—you all extended the life cycle analysis from 25 to 40 years, which, of course, is helpful looking at new energy and management kinds of techniques.

Mr. CARNEY. And building materials and things of that nature?

Mr. COSTA. Yes.

Mr. CARNEY. Very good. Excellent. My time has expired. You are very patient with me Mr. Chairman. Thank you so much.

Mr. OBERSTAR. I interrupted you. You can have another minute.

Mr. CARNEY. I am done. Thank you.

Mr. OBERSTAR. Ms. Edwards.

Ms. EDWARDS. Thank you, Mr. Chairman. And thanks also Mr. Chairman for your attention and this Committee's attention to oversight, transparency and accountability, because I think it is really important, especially for taxpayers and for job seekers. I would note that just yesterday my State of Maryland came in sort of number one in its transparency and accountability for telling the public and telling the story in our State Web site about the expenditure and allocation of Recovery Act funds, where they are going, in very good detail. It was actually number one rated among all the States by an independent nonprofit group Good Jobs First. But I think it highlights what our obligation is here on this Committee, to look in great detail about how these funds are being expended. I have a question really directed—a lot of questions. But I am going to direct these to Mr. Hooks, about the clean water State revolving funds.

I look down the list, and although in your testimony you cite 45 programs across the country that have—I guess for which funds have been obligated. I counted in our Transportation and Infrastructure Committee chart that only 24 States out of all of the States and territories have actually obligated funds. And when you look at the charts across obligations, contracts put out to bid, jobs created, there are a lot of zeroes there. And so I am really concerned about whether we are meeting our goals and deadlines and what is happening to those resources, because this is about creating jobs. And I just don't see that except in really a handful of States. And I am concerned about that. Also, I wonder if you could describe for us ways that we can track the State Revolving Fund implementation progress.

And then I wonder if you could also describe for me what actually is happening and what projects are going on regarding the green water—the green infrastructure 20 percent allocation. I would love to see a State-by-State analysis of those specific projects because I think it would actually help this Committee.

Mr. HOOKS. I think there has been some confusion in terms of the use of the term obligation. While we have obligated our resources to 45 States the States also obligate monies to borrowers, and I think there might be a little bit of a disconnect in terms of the numbers. And we would be happy to try to work with you to try to reach some clarification.

Ms. EDWARDS. So you have actually obligated funds for 45 States?

Mr. HOOKS. Correct. We have made those resources available to 45 States. There are six States that are still in the balance.

Ms. EDWARDS. And so where are the contracts then?

Mr. HOOKS. The States are now going through their bidding process as well. Some States have already started. There is a little bit of a lag in terms of outlays, which I mentioned earlier. But between identifying the borrowers that have been selected, putting these contracts out for bid and then proceeding on the work, that has taken some time. Right now based on what we are seeing now, bear in mind the reporting requirements from the States, at least to the Federal Government, doesn't begin until October. We have been launching a pilot at EPA to start to go out and start to receive some of these State specific and recipient specific data to try to identify really what is happening on the ground. And so back in terms of our tracking, we will have much more data, much more comprehensive data, come October.

Ms. EDWARDS. So are you saying to me though that when we look at the number—the amounts of obligations and the number of contracts put out to bid that that is incomplete.

Mr. OBERSTAR. Would the gentleman yield—gentlewoman yield? See, this is the problem. This is budget speak. Obligation is a budget term of art. All it does is make a step, it doesn't accomplish anything, which is why I insisted in our submission to the Recovery Act program, and we are crafting it in the Committee, that the funds be under contract within 90 days at the behest of States, at the urging and complaint of the Senate whose knees buckled under this issue. And the big think pieces over in the White House in OMB they submitted this budget speak term obligate. Obligate just says, yep, we are going to put the money onto this project, that is all. You know, for the highway projects the States just signed off and said we obligate the money for this project. That doesn't put a single contract on—doesn't put a single project under contract.

Ms. EDWARDS. Well, Mr. Chairman, if you would yield, this is exactly my question, because when I look at the number of contracts that are out to bid, they are just State after State, zero after zero, the number of jobs that are created or sustained zero after zero. And if we are out there telling the American people we, you know, put out all of this money that is being paid for by their children and by their grandchildren, surely we have got to be creating jobs. And so I think if that data is out there, it really would behoove the administration to let us all know that, because it looks as though somebody is just holding onto the money and it is not really going to these projects. I look at my State of Maryland, for example, and what I see is that the fund has $19 million. There is obligated $7,127,000. And then after that it is just projects under contract zero, recovery funds associated with projects under contract zero, projects in which work is begun zero, direct job's total job hours zero, zero, zero. And that is State after State. And I just think that—I mean, I am very supportive of the State Clearwater revolving fund, but we have got to create jobs with these funds. This is really intense infrastructure. We know that it is needed infrastructure. And I just think at some point or other the American public is going to start asking where are the jobs, and we deserve to have an answer for them.

Mr. HOOKS. I agree with you, which, in part, is why I talked earlier about kind of the three phases that I now view this work in. Again, before it was make the monies available, and then I thought we would move into the management and oversight of what the State was doing. Now, however, you are right, you are absolutely right, we actually are concentrating our efforts to try to assist the States in breaking down any sort of barriers that they might have, whether that is with Buy America provisions, Davis-Bacon, getting their bids out. We are making our contracts available, our contracting resources available, we are actually making our contract vehicles available in one state's instance, so we are trying to do whatever we can to assist the States in facilitating getting the work started.

Ms. EDWARDS. And so when we see your—you said that there will be reports back from the States in October because we haven't come to that deadline yet. I guess I am presuming looking at the charts that we have here all of a sudden we are going see a glut of projects because there are very few. And hopefully with our jobless numbers and stuff that means that people will have jobs in the fall.

Mr. HOOKS. We anticipate these numbers starting to ramp up significantly over the next couple of months. They have gone up 85 percent just over the last four weeks. And I suspect again that the numbers actually in the fall will be dramatically different.

Ms. EDWARDS. Well, hopefully we are not then getting into a winter season which then we can't do these jobs in States that have climate issues. And so we thought, I guess we thought in this Committee, and I am greatly exceeding my time, that given the spring time frame and the deadlines for contracts going out that we would actually be able to get to those States that have seasonable and climate issues. And it feels like we are bumping right up against that yet again. And so there is the prospect that in some of these States really work is not going to be able to happen until next spring, which that is a lot of time for somebody who is out of a job.

Mr. HOOKS. The legislation does specify that all of the SRF work under the clean water and drinking water, that they all be under contract or construction within one year, February 17, 2010. And based on what my staff is telling me, based on the personal visits that we are making, all of the States will meet that goal.

Ms. EDWARDS. Thank you, Mr. Chairman.

Mr. OBERSTAR. Just before I go to Mr. Mica, I want to again underscore this issue of budget speak term, the budget speak term obligation. If our language had prevailed, there would have been no escape hatch. States and the executive branch agencies would have had to have projects under contract within 90 days or lose the money to someone who could use them. And your point is well taken. Mr. Mica commented on it and said, well, you are right on. Well, that is the way most of the Members of the Committee feel. We committed these funds with the anticipation they put people to work. But when the OMB got into it and when the White House staff got into this thing and when the Senate stuck their nose into it and said, oh, well, you have to give them a little leeway that they can obligate the funds and have 120 days to do that, that obligation is a very different term from having the project under contract. It was an escape hatch. Mr. Mica.

Mr. MICA. Well, I do have to compliment the gentlelady from Maryland. Her questioning and commentary was so refreshing.

And you know we are going to go home in a few hours, whether it is up the road or to Florida, and you have got to face people who haven't had jobs for months. And you go back and say, well, we have got $11 billion unobligated here, we have got billions here, and all they want is an opportunity to work and provide for themselves. And that solves all the other problems, it really does. But you two are magnificent, Ms. Edwards and Mr. Chairman. I want to make sure that gets in the record.

Mr. OBERSTAR. Thank you.

Mr. MICA. A final thing, and this is just a point, particularly to the agency folks that are trying to get the money out. We will never get projects cheaper than you can right now. There is a fire sale going on to do every kind of project in this country. People want business, they want—contractors want work and contracts. And in my district—I met with my district transportation secretary who covers my area of Florida. He said the prices they are getting in are 25 and 30 percent cheaper than what they had budgeted, which is a fire sale to do these projects. So getting this money out now is so important. And I am just asking you all to find ways—to support Ms. Norton here, St. Elizabeth's, I have a project that I am interested in doing. NoMa, right to the north of Union Station, we will never find real estate bargains, opportunities to renew leases, opportunities to save the taxpayers billions of dollars and get more for less.

Now, we can screw around and let this go on to next year. You already see the signs of some recovery in spite of what government has done, but maybe we could wait longer and pay more. Again, hopefully you all have taken away from us the message, particularly again the agencies. I appreciate GAO's honest assessment here today too. I yield back, Mr. Chairman.

Mr. OBERSTAR. Thank you. That is very, very important. Now I committed to Ms. Norton that she could pursue her line of inquiry.

Ms. NORTON. I appreciate that Mr. Chairman, because I did not get to ask Mr. Ashley a question. I do want to associate myself with the remarks of Ms. Edwards and the Ranking Member, although I promise the Ranking Member we will not buy a building in NoMa. That is what he was really talking about, but he is still working on it, and I always work with him. But a fire sale is exactly correct. That is why I pressed the GSA not only to begin work on the first building, the Coast Guard building, but for goodness sake, begin work on the same grounds on the rehabilitation of other buildings which are not construction but which also make jobs.

Now, Ms. Edwards' question really went to what I asked Mr. Costa to do. On a monthly basis, to get us obligation on one line and expenditure on the other, because those are the—that is the real deal. So although GSA and I commend you, Mr. Costa, have made—have set goals and are meeting the goals for obligation, I will require a monthly expenditure report as well.

Mr. COSTA. The only distinction I would add is that that billion dollars that we have obligated, they are contract awards.

Ms. NORTON. But when the Ranking Member asked you about $34 million you were not able to say that there was more money being expended in light of the billion dollars.

Mr. COSTA. Because we made progress payments, that is exactly right.

Ms. NORTON. But even so, if there is $1 billion out there and somebody is being paid to do work, you would expect a whole lot more than $34 million to show up at this time. If you want to explain that to staff, we will be glad to hear it, but that is an important point. I want to ask Mr. Ashley something that has been on the mind of this Committee, especially the Chairman, and on the mind of me with respect to my work on the Homeland Security Committee. I am not sure it applies to stimulus funds, although it is related to Mr. Carney's question, and that is the award of fire grants in relation apparently to terrorist programs.

Now, the fire grants are for basic fire fighting capability because they are for all hazards. You don't go to a hazard that they haven't called out your firefighters as well. We had to go after the last administration persistently for attempting to use the President's budget to focus fire grants on terrorism. The Congress, in a bipartisan fashion, consistently rejected this attempt by the prior administration. I was very disappointed to see that in the 2010 budget of the new administration what appear to be, unless you can show me this is not the case, a continued attempt to focus fire grants on preparedness by words such as in the event of a terrorist attack as opposed to all hazards, which, of course, deals with terrorist attacks, as well as with what we in this country face 99.9 percent of the time, which are hazards unrelated to terrorism.

Can you explain why the administration's budget describes, and apparently attempts to continue to focus fire grants as a program on preparing fire departments for terrorism notwithstanding the very clear language of the law and congressional intent as repeated several times over during the last administration. And just let me ask you straight out, does the fire grant program today, whether for the stimulus package or for fire grants generally, require or give any preference to fire departments that show a nexus to terrorism in their applications.

Mr. ASHLEY. None whatsoever.

Ms. NORTON. So you say that is completely gone. Why did the administration's 2010 budget request attempt in some language to focus on terrorism then.

Mr. ASHLEY. I wasn't party to those specific discussions on the request as far as you know tying the 2010 budget to whether it is terrorism or risk-based allocations of that nature, so I was not part of those discussions.

Ms. NORTON. I wish you would carry back then to FEMA the Subcommittee's very substantial interest in making sure that all hazards are covered, firefighters go out for all hazards. And we intend to enforce that we have the backing of the entire Congress on it. We don't want to repeat that with this Congress. Thank you very much, Mr. Chairman. I thought it was my obligation to get that question on the record.

Mr. OBERSTAR. I appreciate you raising that. And I also appreciate the questions raised by Mr. Carney on this particular issue. I raised it, and I have been incensed about this matter, because in 2008, there was a fire caused by a very negligent camper within the bounty waters canoe area wilderness of the Superior National

Forest in northeastern Minnesota in Cook County, right, oh, just a mile or so from the Gunflint Trails, so it was in the wilderness. These campers left the fire going and left their camp site. Wind came up, blew the sparks and flame into a nearby brush and a fire broke out of a significant amount. And the volunteer fire department rushed to the site with their pumper, which they knew was defective, and the pumper truck could not operate. It could not draw water from the lake, could not attack the fire. Maybe they would not have been able to contain the whole thing, but I think they would have significantly impeded its progress so that it could have been contained to just a few acres. Instead 76,000 acres burned, half in the U.S., half in Canada.

When I went up for a town meeting with all the residents, 134 structures burned to the ground. Fortunately, there were no fatalities and no injuries. And part of the reason for that was that FEMA's preparedness program, the mitigation program, had supplied funding for homeowners and residences to install sprinkler systems to draw water from lakes and underground aquifers. And those homes and facilities that had availed themselves of the funding put the systems, the sprinkler systems into work and they saved those structures, but others burned to the ground.

And I asked why, why didn't you have an adequate pumper truck? And they said because we were turned down 2 years ago, and again this year because we did not show a connection between our pumper truck and Homeland Security. That is about the remotest place in the world or in America, except perhaps Nome, Alaska, that a terrorist attack is likely to occur. So I called Mr. Paulson in, your predecessor over there, and raised literal hell with him over this. It turned down twice because it doesn't show a connection to terrorism. He said, well, we will address that, we will get to it. There were a number of other small projects, small funded, $2,500, $25,000, I think a pumper truck probably runs a little bit more than that, that were turned down because they didn't have, they didn't show a nexus to, in effect, terrorism. Our terror in the northland is blizzards, fire, high winds, a storm that blew down 26 million trees. That is our terror. It happens every year. We never had one of these terrorist attacks in the northland.

So I asked two of the fire departments. These are the documents they have to file. And I have just spent the last few minutes going through there. There is no current showing, and I am happy to see that, no showing requested of a nexus to terrorism. Well, whoever did it, thank you for that, whether it was Paulson on his departure or the new team. You have at least addressed that issue. But I don't want to see that appearing again in a firefighter grant application. Can you assure me that won't happen?

Mr. ASHLEY. Well, between now and August 30th I can.

Mr. OBERSTAR. Oh, you are leaving?

Mr. ASHLEY. Yes, sir.

Mr. OBERSTAR. Good Lord. Well, you just get these people trained up and then they leave.

Mr. ASHLEY. I stayed past January 20th so.

Mr. OBERSTAR. All right. Well, thank you for that. Let's see, I had some other. The Corps, you have 800 projects, you have outlays of $84 million. When do you expect those outlays, that is actual payments to contractors to ramp up from that number, Mr. Salt?

Mr. SALT. Sir, I think I really like your chart. I think your chart makes the point that in our case over 90 percent of our obligations are to contracts, to private sector contractors. And as your chart points out, you award the contract, they then hire, they then order materials, the money, the stimulus starts to happen. After that, they send the request for progress, payments or bills. And so the outlays always lag. The other issue this chart raises which is when the State is involved it goes up, even when you get down to the actual contract, the points you were making earlier, there is another lag behind that that is there. I think there are two important things:

Number one, the points you made, when you award the contract, the work starts, people start getting hired, all those things start to happen. And secondly, people in the community start to see good things happen. The other point that you made, that these are for things that otherwise wouldn't get done, that they start to see that work happening, and I think that starts to create the sense that this is happening. And although the outlays are important, I mean, we must pay, I would say that the real important part is up at the other end of that.

Mr. OBERSTAR. The awarding of contracts is critically important here. And each of you has submitted, each of you agencies has submitted that information, and I invite you to supplement your current testimony in the coming months with updates as we have requested on our Committee Web site of contracts not only awarded, bids awarded and projects under contract, but actual work underway, supplement that information. This is a lagging indicator. I mean, the highway program, the Federal Government did all of its work, DOT did its job, the Federal highway did its job and notified the States. Next it is up to the States. And if there is some red tape, we want to know about it. They had plenty of time to tell us from December until February, from actually September of 2008 when we passed, the House passed the first stimulus bill, it died in the Senate, but they had plenty of time to say, well, we might have this problem, we might have that paper work problem. They never did. Not a single one of them came in to us. It was yes we can, it was a we-can-do-this.

So Mr. Mica and I are going to send a letter to these States who are lagging behind and say what is your problem, what is the red tape, what are the obstacles. We are going to find that out. But meanwhile, you tell us, you are through the first phase, contract is awarded, update those, update that information by the third week of August, by the end of the third week of August.

Ms. Siggerud, do you agree with that?

Ms. SIGGERUD. In terms of——

Mr. OBERSTAR. That is not the right question. Would you comment on what I just said?

Ms. SIGGERUD. Yes, I can comment.

Yes, I can comment. We are seeing, with regard to the lagging concept obligations and then moving to the outlays, we are seeing a pretty significant uptick—that was July—as we are are hitting the construction season, and as States have had time to put these bids out for contract, and I expect to see a real difference as we go forward over the next couple of months in that area.

But there are still a number of projects that have not been obligated and so there will still be—this will play out over several years, especially the more complicated projects, as we mentioned, that will need to have a longer bid time and that will take longer to construct.

Mr. OBERSTAR. I know there was some hand-wringing by the economists who said, well, as constructed, and with these time constraints, the Federal Highway Administration, the State DOTs and transit agencies are only going to do those projects that are quick-hitters. That is what we expected.

The longer-term projects are going to be covered in our upcoming bill, 6 years.

Ms. SIGGERUD. And, Mr. Oberstar, that is what we are seeing. That is why you see such a percentage of repaving rehabilitation, because these are the projects that could be built quickly and done during this construction season.

Mr. OBERSTAR. That is what we want to see.

Mr. Mica, do you have any closing statements?

Mr. MICA. No, just thank you. I think it was a very informative hearing.

Mr. OBERSTAR. I appreciate that, and I appreciate the contribution that each of you has made.

And for the record, our next hearing will occur about the third week of September and we will make a further in-depth review. Thank you again for your participation.

Mr. Ashley, I wish you well in whatever your next pursuit is.

Ms. Siggerud, keep your eye on them.

Ms. SIGGERUD. Will do.

Mr. OBERSTAR. The Committee is adjourned.

[Whereupon, at 1:08 p.m., the Committee was adjourned.]

OPENING STATEMENT OF
THE HONORABLE RUSS CARNAHAN (MO-03)
HOUSE TRANSPORTATION AND INFRASTRUCTURE COMMITTEE

Hearing on
Recovery Act: 160-Day Progress Report for Transportation Programs

Friday, July 31, 2009
2167 Rayburn House Office Building

Chairman Oberstar and Ranking Member Mica, thank you for holding this hearing on assessing the progress to date on the implementation of the Recovery Act, especially the green buildings programs under the jurisdiction of the committee.

As a co-founder of the High-Performance Building Caucus, I have advocated for both high-performance buildings and green buildings. I believe that the federal government should lead by example in the ways we construct and operate our buildings. An update released on July 10th indicated that the General Services Administration has awarded contracts for 85 projects, worth 325 million dollars in Federal Building Recovery Act funds. Although there is still a long way to go in terms of allotting the 4.5 billion dollars of Recovery Act funding to high performance green buildings, I am pleased with the progress that has been made thus far. Green buildings exist at the intersection of energy policy, green collar job growth, and real estate development, therefore they show enormous potential on multiple Recovery fronts. I hope that the GSA will be able to answer some questions regarding visible progress and sustainable methods.

I also have questions regarding the production methods of green federal buildings; specifically whether approaches such as total building commissioning, building information modeling and integrated project delivery are currently being considered. By participating in these periodic hearings, the committee can work with GSA in order to ensure that green building project guidelines and recommendations are applied effectively.

In closing, I'd like to thank the panelists for their testimonies and presence at the hearing today. We appreciate your input and I appreciate our cooperative efforts to responsibly monitor Recovery Act funding.

STATEMENT OF
THE HONORABLE EDDIE BERNICE JOHNSON, CHAIRWOMAN
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
HEARING ON "RECOVERY ACT: 160-DAY PROGRESS REPORT FOR
TRANSPORTATION AND INFRASTRUCTURE PROGRAMS"
JULY 31, 2009

EB Johnson

Thank you, Mr. Chairman, for continuing this series of hearings on implementation of the American Recovery and Reinvestment Act.

Successful implementation of this legislation is essential to our collective efforts to turn our economy around, and create good, well-paying jobs here in America.

While I understand some of the public criticism that the Recovery Act is not working fast enough, and that the economy continues to lose jobs, I would suggest that, but for the enactment of the Recovery Act, we would be in a far worse place today.

That being said, I agree that the primary focus of this legislation was the creation of jobs, and I am concerned that the pace of job creation has not been uniform across all of the agencies and programs under the jurisdiction of this Committee.

Hopefully, today, we can hear some assurance that the agencies understand the primary intent of this legislation to create jobs, while at the same time, promoting accountability and openness in expenditures.

I have read the written testimony of the witnesses here this morning, and I commend them for the progress made thus far.

For example, I applaud the efforts of the Environmental Protection Agency for obligating over 83 percent of the Clean Water State Revolving Fund dollars to the individual states, and for working through some of the implementation challenges of the Buy American provisions of the Recovery Act.

However, I would encourage the agency to take a greater role in encouraging further expenditures of Clean Water SRF funds by the individual states.

Clearly, the success of the Clean Water SRF investment is the implementation of vital clean water projects on the ground.

This is where more progress is essential.

Similarly, for the Corps of Engineers, I applaud your efforts to allocate roughly 75 percent of Recovery Act funding to individual Corps projects.

However, what is less clear is the measure of progress in carrying out the individual elements called for in the Corps work-plan.

I would encourage the Corps to provide the Committee with a clearer understanding of how to measure progress, in terms of jobs created and percentage of work completed, for these elements.

My assumption is that all of the members of this Committee want the Recovery Act to succeed.

Every member of this Committee should want the infrastructure investment made by this Act to improve the economy, to help create good paying jobs, and to begin the long-forgotten obligation to invest in our nation's infrastructure.

I see hopeful signs in today's testimony, but I suggest that all Americans need to see actual results in their everyday lives and wallets.

The reality is that your window to demonstrate results is small.

Your job is to show those results.

Thank you, Mr. Chairman.

Harry E. Mitchell

Statement of Rep. Harry Mitchell
House Transportation and Infrastructure Committee
7/31/09

Thank you, Mr. Chairman.

The American Recovery and Reinvestment Act, H.R. 1, is making important investments in transportation and infrastructure, and today we will review its progress.

As of July 17, 2009, the Federal Highway Administration has approved $17 billion in Recovery Act funding, which represents 62 percent of Recovery Act highway funds.

Arizona is continuing to receive Recovery Funds, many of which are being invested in planned highway, bridge, transit, and other shovel ready infrastructure projects. As of June 30, 2009, approximately $120 million in Recovery funds had been invested in projects that are already underway. More than $124 million had been invested in projects that were already under contract. In addition, another $296 million were associated with projects that had been put out to bid.

When combined with the tax cuts and other relief contained in the Recovery Act, these investments are creating jobs and economic activity.

I look forward to hearing more from our witnesses on the current implementation and progress of the American Recovery and Reinvestment Act.

I yield back.

James L. Oberstar

STATEMENT OF
THE HONORABLE JAMES L. OBERSTAR
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
HEARING ON "RECOVERY ACT: 160-DAY PROGRESS REPORT FOR TRANSPORTATION AND INFRASTRUCTURE PROGRAMS"
JULY 31, 2009

The transportation and infrastructure investments of the American Recovery and Reinvestment Act of 2009 (P.L. 111-5) (Recovery Act), have already begun to play a key role in putting Americans back to work. Federal agencies, States, and their local partners have demonstrated they can deliver transportation and infrastructure projects and create urgently needed employment in the tight timeframes set forth in the Recovery Act. These projects have already resulted in tens of thousands of workers getting off the bench and back on the job.

I am pleased to report that, as of June 30, 2009, nearly 50 percent of the total available formula funds for highway and transit projects have been put out to bid. Approximately 31 percent of these formula funds are under contract and 22 percent are associated with projects underway.

Monitoring the percentage of allocated funds associated with projects out to bid, under contract, and underway helps us measure the Recovery Act's progress. Critics of the Recovery Act focus exclusively on the amount of outlays of Federal transportation funds. This approach does not provide a good sense of Recovery Act progress because transportation projects primarily operate on a reimbursement mode. For example, States seek reimbursement for highway projects after construction is underway. Federal outlays, therefore, come months after jobs are created and necessary infrastructure projects have begun. Knowing how many funds are associated with projects out to bid, under contract, and underway better captures the extent to which Recovery Act funds have arrived on Main Street.

However, there is much work left to be done. As of June 2009, construction unemployment was 1,601,000 – that's 1,001,000 lost construction jobs since the recession began in December 2007. And, while I am encouraged by what Federal, State, and local governments have already accomplished, more must be done.

Against this backdrop, I scheduled this oversight hearing to hear from Federal officials who are implementing programs receiving funding under the Recovery Act. This hearing will focus primarily on the non-transportation programs under the Committee's jurisdiction, including environmental, inland waters, and public building infrastructure. I have also invited the Government Accountability Office (GAO) to testify about its oversight of the highways and bridges program.

To provide additional insight into what progress has been made to date, I would like to share the results of the vigorous oversight that the Committee has already conducted. Just ten days after the Recovery Act was signed into law, the Committee requested transparency and accountability information directly from States, metropolitan planning organizations (MPOs), and public transit agencies. Since then, recipients have reported regularly to the Committee.

According to the most recent submissions received by the Committee, as of June 30, 2009, a total of 5,079 highway and transit projects in all 50 States, four Territories, and the District of Columbia have been put out to bid, totaling $16.7 billion. That's almost 50 percent of the total available formula funds for highway and transit projects.

Of these 5,079 projects that have been put out to bid, 3,553 highway and transit projects in 50 States, Puerto Rico, and the District of Columbia are already under contract. These projects under contract total $10.6 billion.

Work has begun on 2,552 projects in 50 States and the District of Columbia totaling $7.7 billion, an increase of 75 percent in just the 30 days since the previous reporting deadline.

These 2,552 highway and transit projects underway have resulted in over 48,000 direct, on-project jobs. Direct, on-project jobs include workers employed to repair or build a new facility or maintain on-site equipment.

However, these direct, on-project job totals only tell part of the story. These projects have also resulted in thousands of indirect and induced jobs. Indirect jobs include jobs created at companies that produce construction materials such as steel, and manufacture equipment such as new transit buses. Induced jobs include employees at restaurants who serve lunch to employees working on job sites. When you combine the direct, on-project jobs with all the jobs that are created down the supply chain, the tally of jobs is much higher.

The Committee also requested that all Federal agencies implementing programs that receive Recovery Act funds under the Committee's jurisdiction provide a table of specific Recovery Act projects. As of July 17, 2009, Federal agencies under the Committee's jurisdiction have announced 9,356 transportation and non-transportation projects totaling $30.5 billion. Funds have been obligated for 8,276 projects totaling $24 billion. Within this total, State Departments of Transportation have obligated funds for 5,777 highway projects worth $16.9 billion, 63 percent of the total highway formula funds.

This transparency and accountability information speaks for itself: Federal agencies, States, and their local partners are putting Americans back to work in family-wage, construction jobs all across the nation.

The Act further requires that at least one-half of all highway funds apportioned to States be obligated within 120 days (June 30, 2009) after the date of apportionment. I am pleased to report that all States met this requirement.

The success of meeting this "use it or lose it" provision should send a clear message to all Federal, State, and local governments implementing Recovery Act projects: you can quickly deliver transportation projects, put shovels into the ground, and in doing so improve our nation's infrastructure and lift our economy out of recession.

Throughout development of the Recovery Act, I emphasized the importance of transparency and accountability and ensured that the transportation and infrastructure provisions would be subject to the most rigorous transparency and accountability requirements of the Act. I am pleased that the Obama Administration adopted many of these ideas, not just for transportation, but for all programs funded under the Act.

I also promised that the Committee would vigorously oversee implementation of the Recovery Act. The Committee will continue to require periodic direct reporting to the Committee by recipients of transportation and infrastructure funds under the Recovery Act as well as Federal agencies implementing Recovery Act programs under the Committee's jurisdiction, to ensure that the funds are invested quickly, efficiently, and in harmony with the job-creating purposes of the Act. In addition, the Committee will continue to hold public hearings to examine the successes and challenges under the Act.

While much work remains, I am pleased with the progress that has been made in the first 160 days since enactment of the Recovery Act. I look forward to hearing the testimony of today's witnesses and discussing what is being done to ensure that Recovery Act funds will continue to create good, family-wage jobs as quickly as possible, while at the same time improving our deteriorating infrastructure and laying the foundation for future economic growth.

STATEMENT

OF

THE HONORABLE W. ROSS ASHLEY
ASSISTANT ADMINISTRATOR
GRANT PROGRAMS DIRECTORATE
FEDERAL EMERGENCY MANAGEMENT AGENCY
U.S. DEPARTMENT OF HOMELAND SECURITY

BEFORE
THE

HOUSE COMMITTEE ON TRANSPORTATION AND
INFRASTRUCTURE
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C.

"AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009
ASSISTANCE TO FIREFIGHTERS
FIRE STATION CONSTRUCTION GRANTS"

FRIDAY, JULY 31, 2009

Submitted By:
The Honorable W. Ross Ashley
Assistant Administrator
Grant Programs Directorate
Federal Emergency Management Agency
500 C Street, S.W.
Washington, D.C. 20472
(202) 786-9788

Chairman Oberstar, Ranking Member Mica, and members of the Committee, my name is Ross Ashley and I serve as Assistant Administrator for the Federal Emergency Management Agency's (FEMA) Grant Programs Directorate. On behalf of Administrator Fugate, it is a privilege to appear before you today to discuss how FEMA is implementing the Assistance to Firefighters Fire Station Construction Grant Program as provided for under the American Recovery and Reinvestment Act of 2009 (ARRA) (Public Law 111-5), which will improve the capabilities of the Nation's fire service while aiding the economies of many American communities.

FEMA's Grant Programs Directorate (GPD) is comprised of dedicated professionals with years of experience in the planning, execution, management and monitoring of federal grant programs. Currently GPD manages 52 different disaster and non-disaster grant programs. GPD makes between 6,000 and 7,000 individual grants annually which total between $7 billion and $10 billion in federal financial assistance. GPD is proud of its professionalism. It is also proud of its record of cooperation with both the field – the constituencies it serves – and with the Congress, in the development of the programs it administers. Every grant program GPD develops and administers is marked by a high level of outreach, discussion and collaboration with the communities, the individuals, and the stakeholders the grant program is designed to help.

The Assistance to Firefighters Fire Station Construction Grant Program is no different. FEMA and GPD have a long record of working closely with the Nation's fire service. GPD's portfolio includes the Assistance to Firefighters Grant Program (AFG). The AFG Program provides competitive grants to address the training, safety, apparatus, personal protective gear, firefighting equipment, and firefighter wellness and fitness needs of fire departments large and small, career and volunteer. Through the Fire

Prevention and Safety Grant Program (FP&S), the AFG Program provides resources to fire departments and non-profit organizations to address fire prevention issues, while AFG's companion program, the Staffing for Adequate Fire and Emergency Response Grant Program (SAFER), addresses staffing needs by enhancing these departments' ability to hire, recruit and retain firefighters.

Our partnership with the fire service is demonstrated through the process by which each year's AFG and SAFER Programs are developed. Each year FEMA convenes a panel of fire service professionals to assist in the development of funding priorities for the coming year. This also provides an opportunity to discuss any changes in program requirements. The development of the Assistance to Firefighters Fire Station Construction Grant Program (FSCG) did not differ from the development of GPD's other AFG programs. As with the other AFG programs, GPD consulted and worked with a panel of fire service professionals representing the nine major fire service organizations to develop funding priorities and other implementation criteria for FSCG. These fire service organizations included:

- The Congressional Fire Services Institute;
- The National Volunteer Fire Council;
- The International Association of Arson Investigators;
- The International Association of Fire Fighters;
- The National Fire Protection Association;
- The National Association of State Fire Marshalls;
- The International Association of Fire Chiefs;
- The International Society of Fire Service Instructors, and
- The North American Fire Training Directors.

In keeping with the goals of the ARRA to not only assist the fire service, but more broadly to assist in the economic revitalization of the communities fire departments serve, GPD collaborated with additional stakeholder organizations in the development of the FSCG. These groups represent the Nation's towns, cities, counties and states and included:

- The National Association of Counties
- The National Governors Association
- The National League of Cities
- The U.S. Conference of Mayors

Our collaboration and outreach will extend throughout the FSCG award process. FSCG awards are competitive and will be based on the funding priorities recommended by the fire service and on peer reviews by panels comprised of representatives of the fire service.

The ARRA was signed into law on February 17, 2009 and its objectives are straightforward:

- To preserve and create jobs and promote economic recovery;
- To assist those most impacted by the recession;
- To provide investments needed to increase economic efficiency by spurring technological advances in science and health;
- To invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits, and
- To stabilize State and local budgets in order to minimize and avoid reductions in essential services and counterproductive state and local tax increases.

The ARRA provides over $800 billion including additional federal assistance to State and local communities. Of that, $510 million was provided to support FEMA's efforts to enhance the security of the Nation's ports and transit systems and to enhance the capabilities of the Nation's fire service by funding the construction, renovation or modification of fire stations. Specifically, the ARRA designated $210 million to support these fire station construction and renovation efforts.

On May 29, 2009, 100 days after ARRA enactment, FEMA released the grant guidance and application materials for the FSCG Program, thus opening the application period. It is our belief that this initiative will directly assist the Nation in achieving the objectives of the ARRA. Under FSCG, funds will be awarded directly to non-Federal fire departments or to state and local governments that fund or operate fire departments. Under FSCG there is no match or cost share requirement and FSCG funds will cover 100 percent of a project's cost. The immediate result will be an infusion of funding that supports local construction. This local construction will in turn create new jobs, services and purchases, enhancing essential services.

FSCG funds are also a direct investment in public safety. Funding under the FSCG will enable fire departments to replace or renovate unsafe or uninhabitable structures. These investments in infrastructure will enable fire departments to enhance response capabilities and fire protection coverage, better protect communities from fire-related hazards and help ensure firefighter safety.

To maximize the benefit of ARRA funding, FEMA limited funding for each individual project within a grant application to $5 million. There is, however, no limit on the number of projects that can be included in an application as long as the total amount of funds requested does not exceed the $15 million statutory cap set forth by ARRA.

FSCG's application period closed on July 10, 2009. By the close, GPD received over 6,000 FSCG applications requesting over $9 billion in federal assistance. Application reviews are currently underway and we expect that all grants under ARRA' FSCG Program will be awarded before the end of the fiscal year.

Mr. Chairman, I will conclude my statement by emphasizing the commitment that we at the Department of Homeland Security - from Secretary Napolitano, to Administrator Fugate, to myself - have for the goals of the American Recovery and Reinvestment Act and for providing the critical assistance being made available through the Fire Station Construction Grant Program. Thank you Mr. Chairman, Ranking Member Mica and members of the Committee, for allowing me to testify today. I am happy to answer any questions you may have.

STATEMENT OF

ANTHONY COSTA

ACTING COMMISSIONER

PUBLIC BUILDINGS SERVICE

U.S. GENERAL SERVICES ADMINISTRATION

BEFORE THE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

U.S. HOUSE OF REPRESENTATIVES

JULY 31, 2009

Good Morning Chairman Oberstar, Ranking Member Mica, and members of this Committee. My name is Tony Costa and I am the Acting Commissioner of the General Services Administration's Public Buildings Service. Thank you for inviting me to appear before you today to discuss GSA's contribution to our nation's economic recovery through the green modernization and construction of our buildings.

GSA's Public Buildings Service (PBS) is one of the largest and most diversified public real estate organizations in the world. Our inventory consists of over 8,600 owned and leased assets with nearly 354 million square feet of space across all 50 states, 6 territories, and the District of Columbia. Our portfolio is composed primarily of office buildings and courthouses, land ports of entry, and warehouses. GSA's goal is to manage these assets responsibly while delivering and maintaining superior workplaces at best value to our client agencies and the American taxpayer.

The American Recovery and Reinvestment Act of 2009 (the Recovery Act) gave us an unprecedented and exciting opportunity to contribute to our nation's economic recovery. The investments we make in our public buildings will help stimulate job growth and retention in the construction and real estate sectors, help us reduce energy consumption in our buildings, improve the environmental performance of our real estate inventory, and help us reduce our backlog of repair and alteration needs, increasing the overall value of our assets. In addition, our investments in our buildings are helping to further the development of energy efficient technologies, alternative energy solutions and green building technologies.

Progress

On April 29, 2009, GSA had the opportunity to describe our strategy for investing these funds in our public buildings. As of this afternoon, we met our goal of obligating $ 1 billion of Recovery Act funds by August 1, 2009. Our goal is to obligate another $1 billion by the end of the calendar year. We have set interim target dates for project awards in each quarter to ensure we obligate $5 billion of the $5.5 billion we received in Recovery Act funds by the end of fiscal year 2010.

We will provide you with a list of all obligations we have made as of today. Major projects awarded as of July 22 include:

CA	Bakersfield	New Courthouse
CA	Los Angeles	300 North LA Federal Building-
CA	Otay Mesa	Land Port of Entry
CO	Boulder	David Skaggs Research Center
CO	Denver	Byron Rogers Federal Building-
CO	Denver	Custom House Federal Building and Courthouse
CO	Denver	Chavez Federal Building

CO	Denver	Federal Center Infrastructure-
CO	Denver	Byron White U.S. Courthouse-
CO	Fort Collins	Federal Building Post Office-
CO	Lakewood	Denver Federal Center
DC	Washington	Lafayette (Phase I)
DC	Washington	St. Elizabeths West Campus Infrastructure
DC	Washington	Mary Switzer (Phase II)
DE	Wilmington	J. Caleb Boggs Courthouse Federal Building
FL	Tampa	Sam M. Gibbons U.S. Courthouse (escalation)
GA	Atlanta	Peachtree Summitt Federal Building
HI	Honolulu	Prince Kuhio Kalanianaole Federal Building-Courthouse
IL	Chicago	Federal Center
IN	Indianapolis	Minton-Capehart Federal Building
IN	Indianapolis	Birch Bayh U.S. Courthouse
IN	Indianapolis	Major General Emmett J. Bean
KS	Kansas City	Robert J. Dole U.S. Courthouse
KS	Wichita	U.S. Courthouse
MA	Andover	IRS Service Center
MA	Boston	JFK Federal Building
MA	Boston	Thomas P. O'Neill Jr. Federal Building
MD	Woodlawn	CMS Headquarters Complex
ME	Bangor	Margaret Chase Smith U.S. Post Office Courthouse
ME	Calais	U.S. Land Port of Entry
ME	Van Buren	U.S. Land Port of Entry
MI	Detroit	McNamara Federal Building Complex
MN	Fort Snelling	Whipple Federal Building
MO	Kansas City	8930 Ward Parkway
MO	St Louis	Thomas Eagleton U.S. Courthouse
MO	St. Louis	Robert Young Federal Building
MS	Jackson	U.S. Courthouse (escalation)
MT	Billings	U.S. Courthouse
NE	North Platte	Federal Building
NE	Omaha	Hruska Courthouse
NE	Omaha	Edward Zorinsky Federal Building
NJ	Newark	Peter Rodino Federal Building
NY	Brooklyn	Emanuel Celler U.S. Courthouse
NY	New York	Thurgood Marshall Building
OR	Portland	Edith Green-Wendell Wyatt Federal Building
PA	Philadelphia	US Customs House
PA	Philadelphia	Veterans Administration Center
TX	Galveston	U.S. Post Office and Courthouse
TX	Houston	G.T. Leland Federal Building
TX	San Antonio	Hippolito Garcia U.S. Courthouse
VA	Richmond	Robert Merhige U.S. Courthouse
WA	Blaine	Peace Arch Port of Entry
WA	Seattle	Federal Center South
WV	Charleston	Robert C. Byrd Federal Building and Courthouse
WV	Huntington	Federal Building

WV	Martinsburg	Federal Building
WY	Cheyenne	Joseph C. O'Mahoney Federal Center

The projects we have funded are varied; they cover our entire portfolio. Examples include a key contract for utility system upgrades at the Denver Federal Center using current, more efficient technologies and built to current code requirements. At this facility, we currently have 50 year old utility infrastructure that includes 13.4 miles of underground fire lines, 11.3 miles of domestic water and drain lines, and 8.3 miles of sanitary sewer lines. Over the past 10 years, utility systems have become increasingly unreliable with the most serious failure in 2001 when the entire campus was shut down as a result of the main domestic water line break. We had previously scheduled the infrastructure repair project to be funded in fiscal year 2010 as a phased project. The Recovery Act provided the opportunity to fully fund and accelerate this project as a single project in fiscal year 2009, saving all of the extra costs associated with multiphase projects. As of July 17th, $47 million has been awarded for the project, $7 million ahead of schedule.

In Montana, GSA has acquired the site for the U.S. Courthouse in Billings. The demolition contract for two buildings located on the site will be awarded to a Service Disabled Veteran business.

In addition to funding new project starts, we are improving projects already underway by adding new high performance green features. In many cases, these features were not previously available on the market or may not have been possible given other constraints. For example, we are incorporating $1.5 million in additional energy conservation measures to the existing design of the Edith Green-Wendell Wyatt Federal Building in Portland, Oregon. At the Hruska Courthouse in Omaha, Nebraska, the aging roof will be replaced with a brand new, energy efficient roof system including additional insulation; if feasible, it will include an integrated photovoltaic system. These high performing green features will help us shave our peak load, reduce our energy consumption and reduce our energy costs.

Our progress toward the consolidation of the Department of Homeland Security (DHS) at St. Elizabeths in Washington, D.C. is on track. We will build this project in 3 phases. Phase 1 includes a new headquarters for the U.S. Coast Guard and as we committed, we anticipate awarding the first design/build contract for the Coast Guard Headquarters in mid-August. This award will contain our first significant obligation of Recovery Act dollars for the DHS Headquarters consolidation. Most recently, we awarded a $1.2 million contract for abatement and demolition services to L&M, a small business contractor located in Capitol Heights, Maryland. We are planning a groundbreaking ceremony to commemorate the DHS initiative in September and we hope you will accept our invitation to attend.

Jobs

To date, PBS has obligated $1 billion for federal construction projects funded by the Recovery Act. The Council of Economic Advisers estimates that 10,854 direct, indirect (from manufacturing materials), and induced (from people providing goods and services to the direct and indirect workers) job-years are created for every billion in Recovery Act dollars spent.

We are excited that apprenticeship and pre-apprenticeship programs will be an integral part of our Recovery Act projects. With regard to pre-apprenticeship programs, we have identified key locations with the highest unemployment rates and with the greatest Recovery Act project opportunities. We have issued a Request for Information (RFI) – Sources Sought to identify providers of pre-apprenticeship training programs who are interested in seeking Recovery Act funds to establish, continue, enhance, or further pre-apprenticeship training opportunities. On August 1, 2009, we will then issue a Request for Proposals (RFP) to qualified organizations and associations who can most effectively leverage Recovery Act funds for pre-apprenticeship programs. These pre-apprenticeship programs may include on-the-job-training, classroom training and work-life training.

We have drafted contract provisions modeled on our National Capital Region's Apprenticeship program. These clauses have been included in the construction contract for St. Elizabeths and will be included in all our major construction contracts effective August 1, 2009.

We are working with the Department of Transportation to find ways of optimizing our resources and contract vehicles to more effectively implement apprenticeship programs. In addition, GSA and the Department of Labor signed a Memorandum of Understanding effective July 1, 2009, to promote apprenticeship and pre-apprenticeship programs in our Recovery Act projects.

Finally, we have identified 10 large Recovery Act projects, representing $1.25 billion in Recovery Act spending, located in 7 states and the District of Columbia, where Project Labor Agreements (PLAs) may be used, as appropriate. A PLA is a collective bargaining agreement with one or more labor organizations that establishes the terms and conditions of employment for a specific construction project, promoting the efficient and expeditious completion of the project. This is consistent with the President's new executive order promoting the use of PLAs in connection with large-scale federal construction projects.

Managing the Work

Staffing

The Recovery Act has dramatically increased PBS's workload. To address this increased workload, we have moved experienced existing personnel to support Recovery Act work. We have completely staffed our National Program Management Office (PMO) for Recovery Act activities with subject matter experts, oversight and program managers, zone executives and managers and regional recovery executives in each region. The nationally managed PMO tracks and monitors the regional execution of Recovery Act projects. At our GSA Regional Offices, projects are executed with speed, tempered by careful consideration of our procurement responsibilities and our ultimate accountability to the American taxpayer.

Gaps created by moving staff to Recovery Act work as well as new staffing requirements created by the burgeoning Recovery Act workload are being filled, as appropriate, with temporary/term Federal personnel or contractors. To expedite this process, we are requesting additional direct hire authority for Project Managers (1100) and Interdisciplinary Architects/Engineers (0800) in addition to existing 1102 (Contracting) and 1170 (Realty Specialist) direct hire authority. OPM has approved GSA's request for a waiver to offset the penalty for reemployed annuitants for specific occupations necessary for delivery of the Recovery Act program.

We have also established standing registers for Contracting Specialists, Project Managers, and Interdisciplinary Architect/Engineer positions and we are developing a marketing campaign that includes job fairs, newspaper advertisements, and advertising with professional organizations. Over 5,500 people have applied for and been placed on our standing registers, from which we can select candidates as positions open without the need for further advertising.

As of July 21, 2009, we had hired:

- 23 FTEs
    - 9 permanent 1102's
    - 2 annuitants
    - 1 industry hire
    - 11 – temporary/term
- 6 contractors

Accelerated Procurement

In the area of procurement, we are taking specific actions to accelerate the award and execution of contracts more quickly. For example, to streamline our procurement process and to ensure nationwide consistency, we have developed standard Statements of Work (SOW), performance specifications, technical/design guides, and contract templates. We are using standardized SOWs for Advanced Metering, Ground-Mounted and Roof-Mounted Photovoltaic;

Re-Commissioning/Retro-Commissioning, Relighting, Interior and Bi-Level Stairwell Lighting and Lighting Controls; Parking Garage and Parking Lot Lighting. In addition, we have issued Guidance on Cool and Planted Roofs; Guidance on Water Efficiency, Minimum Performance Criteria for New Construction and Modernization; and Historic Building Technical Guides for HVAC, Lighting, Roof and Window Upgrades.

We have awarded national and regional contracts to support Recovery Act reporting, tracking, and contract management. These tools were provided to our regions earlier this month. We are currently working on technical guides to assist our regional staff with relighting and photovoltaic projects.

We are also taking steps to accelerate contract execution. These include:

- Increasing project monitoring and oversight to track project milestones such as Receipt of Bonds, security clearance processing, Notice to Proceed, mobilization; and on-site preparation work; and

- Determining the feasibility of creating separate contract line items associated with mobilization, demobilization and preparatory work that are tied to the schedule of values. This would enable contractors to invoice for "early" progress payments based on meeting those early milestones.

Support to other Agencies

We also support the real estate needs of other agencies which have received Recovery Act funding, such as the Social Security Administration (SSA), the Department of State, the National Oceanic and Atmospheric Administration (NOAA), DHS, and DHS Customs and Border Protection (CBP). In total, we anticipate receiving approximately $1.5 billion for Recovery Act projects from our customers.

- As part of the Recovery Act, SSA received a $500 million appropriation for a new National Support Center to replace the existing National Computer Center in Woodlawn, Maryland. SSA turned to GSA for assistance in locating, designing and building this new data center, which will meet the agency's redundancy and expansion needs for the long-term. We are committed to our partnership with SSA in defining their site, building infrastructure and space requirements. Currently, we are working with SSA to develop the facility design requirements and simultaneously conducting a search for land to house the new facility. Land purchase is scheduled for March 2010, with construction expected to start in March 2011.

- The Department of State (State) plans to use $70 million of Recovery Act funds for a new Foreign Affairs Security Training Center. GSA is partnering with State for the site acquisition, design, and construction of a new consolidated hard skills training center to support security related training for the Department and the wider foreign affairs community. We are currently working with State to develop design requirements and conducting a land search to house the new facility. Land purchase is scheduled for December 2009, with construction to start in May 2010.

- We are providing acquisition, project management, planning, design/build, and construction management services in support of CBP's funded Land Port of Entry (LPOE) Modernization Program. Recovery Act funds will be utilized to replace seven aging LPOEs in four states along the northern border: Morgan, Scobey and Wild Horse in Montana; Churubusco in New York; Antler and Noonan in North Dakota; and Frontier in Washington. All projects are currently out for bid under existing GSA IDIQ contracts. Bid opening and proposal evaluation occurred in mid-July. We expect projects to be awarded by mid-August.

Conclusion

Today, I have described our recent accomplishments and contributions to our nation's economic recovery through our investments in green technologies and reinvestment in our public buildings. We look forward to working with you and members of this Committee as we continue to deliver this important work.

TESTIMONY OF
CRAIG HOOKS

ACTING ASSISTANT ADMINISTRATOR,
U.S. ENVIRONMENTAL PROTECTION AGENCY

BEFORE THE
TRANSPORTATION AND INFRASTRUCTURE COMMITTEE
UNITED STATES HOUSE OF REPRESENTATIVES

July 31, 2009

Chairman Oberstar, Ranking Member Mica, and Members of the Committee, thank you for the opportunity to appear before you today to discuss the U.S. Environmental Protection Agency's (EPA's) implementation of the American Recovery and Reinvestment Act of 2009 (Recovery Act).

Background

As Members of this Committee well know, we are in the midst of one of the most severe economic crises our Nation has seen. In response, the President acted quickly with Congress to pass the American Recovery and Reinvestment Act. The purpose of the Recovery Act is to create and save jobs, jumpstart the economy, and build the foundation for long-term economic growth. The Recovery Act invests in projects that will modernize the nation's critical infrastructure, encourage America's energy independence, expand educational opportunities, increase access to healthcare, provide tax relief, and protect those in greatest need.

The Recovery Act provides $7.22 billion for specific programs administered by EPA: the Clean Water State Revolving Fund (CWSRF), the Drinking Water State Revolving Fund

(DWSRF), Superfund, Brownfields, Underground Storage Tanks, and the Clean Diesel Programs. The majority of these funds, totaling $4.7 billion, are specified for programs under the jurisdiction of this Committee: the Clean Water State Revolving Fund ($4 billion), Superfund ($600 million), and Brownfields ($100 million). The programs targeted by EPA's portion of Recovery Act funding address location-specific, community-based public health and environmental needs. Investing in these areas ensures that job creation, economic growth, and beneficial environmental results occur at the local level.

Of the $7.22 billion dollars made available to EPA thus far, we have already obligated more than $5.8 billion (nearly 82 percent). I am pleased to report that EPA's obligations have nearly quadrupled since Administrator Jackson appeared before this Committee three months ago. Of this figure, more than $5 billion has been obligated through the Clean Water and Drinking Water State Revolving Funds, more than $400 million through the Superfund program, more than $200 million for the Clean Diesel Program, and nearly $140 million for the Leaking Underground Storage Tank Program. In addition, the Brownfields Program grant awards are being finalized and obligations are beginning to occur.

Funding these programs will help our economic recovery while promoting a safer and healthier environment. In addition, these funds will protect and increase the number of green jobs, sustain communities, restore and preserve the economic viability of property, and promote scientific advances and technological innovation. These programs were chosen carefully, both for their ability to put people to work and for their environmental benefit. Grants and contracts are being awarded quickly, and progress and results will be monitored and reported in detail to ensure that American workers and taxpayers reap the economic and social benefits of these investments.

Oversight, Accountability, and Transparency

I serve as the Agency's Senior Accountable Official. In this role, I am responsible for meeting the Recovery Act's requirements for oversight, results, and unprecedented transparency. I established a Stimulus Steering Committee comprised of senior managers from across the Agency to monitor Recovery Act planning and implementation on a weekly basis including the EPA Inspector General, and Office of Management and Budget representatives are routinely included. This structure for managing Recovery Act activities was identified as a management best practice by OMB.

To ensure that Recovery Act funds are managed and spent effectively, EPA established the following accountability objectives:

- funds are awarded and distributed in a prompt, fair, and reasonable manner;
- recipients and uses of all funds are transparent to the public;
- the public benefits of these funds are reported clearly, accurately, and in a timely manner;
- funds are used for authorized purposes and instances of fraud, waste, error, and abuse are identified and addressed;
- projects avoid unnecessary delays and cost overruns; and
- program goals are achieved, including specific program outcomes and improved results on broader economic indicators.

When recipient reporting begins in October 2009, we will be able to provide spending details, and more importantly, tangible results.

EPA is undertaking a series of important steps to ensure that these accountability objectives are met. EPA offices ensure that internal financial and management processes expedite the flow of Recovery Act funds to qualified grant recipients and contractors. EPA gives funding preference to recipients with a demonstrated or clear potential ability to produce desired programmatic results, and for projects that can be started and completed expeditiously, will stimulate economic growth, and will achieve long-term public benefits. Transparency is achieved through regular reporting to the Agency's Recovery Web site and the government wide Recovery site.

EPA developed quantifiable outputs, performance measures, and reporting requirements to ensure that funds are spent as directed and achieve the economic and environmental goals authorized by the Recovery Act. In order to avoid cost delays and overruns, EPA developed and implemented a Stewardship Plan, providing a framework for managing common risk areas. In addition, EPA will report on economic and environmental results achieved through the Recovery Act and will make these results available to the public through Recovery.gov.

EPA programs receiving Recovery Act dollars put specific measures in place to ensure oversight, accountability, and transparency. For example, the Clean Water State Revolving Fund program is examining Intended Use Plans with greater scrutiny and conducting on-site reviews of states' management of Recovery Act funds on an ongoing, rather than annual, basis. EPA monitors progress through the quarterly reports required of each Brownfields grant recipient and administers reviews to ensure that recipients are making sufficient progress. EPA will report Superfund progress through program performance measures. In addition, the Agency has established reporting mechanisms to collect the information necessary to ensure accountability and transparency. EPA will evaluate both Superfund resource utilization on a monthly basis and performance progress quarterly and will hold additional mid-year and annual reviews.

We are also ensuring that our actions under the Recovery Act are in full compliance with the National Environmental Policy Act (NEPA) and are working closely with the Council on Environmental Quality to ensure the timely reporting to Congress on NEPA compliance status.

Finally, as I mentioned earlier, EPA's Office of the Inspector General (OIG) is committed to conducting performance audits, financial audits, and investigations in order to monitor the Agency's adherence to its accountability objectives. The OIG is taking a number of actions to alert Agency managers of potential risks and is recommending cost effective controls to ensure accurate reporting and transparency while helping to prevent fraud, waste, and abuse. Our work is being closely coordinated with the Recovery Act Accountability and Transparency Board.

I would now like to provide some additional insight on how we are implementing the Recovery Act and some of the successes thus far.

Clean Water State Revolving Fund

As the nation's largest water quality financing program, the Clean Water State Revolving Fund supports the overarching goal of protecting aquatic systems throughout the country, including lakes, rivers, coastal water, and wetlands. Since 1987, the Clean Water SRF has provided more than $68 billion through more than 22,000 individual loans. Projects include wastewater treatment, nonpoint source pollution control, and watershed and estuary management.

The Recovery Act provided the Clean Water SRF with $4 billion to help states finance high priority infrastructure projects needed to ensure clean water. To date, EPA has awarded more than $3.4 billion in Recovery Act funds to 45 state Clean Water SRF programs across the nation. As EPA works with our state and local partners to use these Recovery Act dollars in the most effective way, we strive to focus on the basic principles of pollution prevention and sustainability. We can build infrastructure that minimizes the environmental footprint we leave for future generations and leverage these investments to maximize environmental progress.

One of the most exciting, yet challenging, aspects of the Recovery Act is the requirement that the states allocate 20 percent of their SRF dollars to promote the implementation of green infrastructure projects. These green infrastructure projects are an effective response to environmental challenges that is cost effective, sustainable, and provides multiple environmental benefits. These SRF funds should promote water and energy efficiency and environmentally innovative projects, such as those that support low impact development, water harvesting and reuse, and efforts to establish or restore riparian buffers, floodplains, wetlands and other natural features. Although meeting the 20 percent goal has been challenging for some states, we have been impressed with the creativity and innovations put forward. These types of projects will support the development of a green workforce and can provide long-term benefits that exceed those associated with traditional environmental infrastructure projects.

The Recovery Act places new and challenging requirements on the SRF programs. The Buy American provision of ARRA has been especially challenging. The Recovery Act requires that, with limited exceptions and consistent with U.S. international obligations, funded projects use only iron, steel, and manufactured goods produced in the United States. This requirement particularly affects SRF programs. EPA has worked closely with the Office of Management and Budget to ensure that guidance on the Buy American provision can work within the structure of our existing programs. The Agency is working closely with industry and municipal representatives to gain a better understanding of the nature of needed equipment and materials and the costs involved in complying with the provision.

Consistent with the Recovery Act directives to ensure expeditious SRF construction, EPA has issued, to date, national public interest waivers for projects that were initially financed or had bids solicited on or after October 1, 2008 and prior to the passage of the Act, and for *de minimus* incidental project components. The Agency has also issued a number of project specific waivers because US made products meeting project specifications justified by local conditions and requirements were not available. We expect additional project specific waiver requests in the coming months as projects plans and specifications are reviewed. We have made significant progress on this issue and we will continue to closely monitor its implementation.

Congress intended Recovery Act funds to boost infrastructure improvements, job growth, and environmental and public health protection. The Recovery Act directed that preference be given to activities that can be started and completed expeditiously, including a goal of using at least 50 percent of the funds for activities that can be initiated not later than 120 days after the date of enactment. The State of Maine provides an excellent example of how hard the states have been working to meet this objective. Maine's municipal bond bank, the Department of Environmental Protection (Clean Water State Revolving Fund) and the Department of Health (Drinking Water State Revolving Fund) worked aggressively and by mid June, only 120 days after the Recovery Act was signed, Maine achieved this goal. The combined programs in Maine include 43 projects under construction, 11 projects out to bid, and 14 projects where contracts are awarded with construction to begin. Maine has obligated 100 percent of its allocation for both the Clean Water and the Drinking Water SRFs.

EPA recently implemented an innovative reporting pilot in cooperation with the Office of Management and Budget and State SRF programs. As part of the pilot, states will use the existing Clean Water and Drinking Water SRF Benefits Reporting Systems to collect project level data elements in order to measure the environmental benefits associated with Recovery Act funded SRF projects. States will have the option of entering required information into either of the two systems. This option immediately provides states with a single Recovery Act data entry mechanism to improve data quality and consistency of reported information. The reporting pilot will provide EPA the necessary information to manage the SRF programs and provide timely insight into recipients' responsiveness to the overall Recovery Act reporting process.

Brownfields

Brownfields cooperative agreements facilitate the leveraging of economic investment and the creation and retention of jobs while helping to prevent, assess, safely clean up, and sustainably reuse Brownfields. Since 1995, grantees have leveraged more than $13.1 billion in federal, state, local, and private sector cleanup and redevelopment resources; leveraged more than 54,500 jobs; and supported assessments at more than 13,900 properties.

The Recovery Act provides $100 million for Brownfields projects. EPA Regional offices will award Recovery Act funded Cooperative agreements for the Assessment, Cleanup and Revolving Loan Fund (RLF) projects to high ranking applicants under a 2008 competition provided the applicants scored well on criteria related to Recovery Act objectives such as a commitment to environmental sustainability principles, project readiness, and job creation. In addition, EPA will use Recovery Act funds for Brownfields Job Training grants, for supplemental funding for existing RLF recipients, and to conduct targeted assessments of Brownfields sites. Through continued federal, state and local partnership, the Brownfields Recovery Act funds are being used to allow problem properties to become productive assets in communities across the country.

Brownfields projects funded by the Recovery Act are already seeing success. EPA awarded the St. Paul Port Authority a $200,000 grant for cleanup at the Minnehaha Lanes Redevelopment Project and cleanup work began in June, as soon as the Port Authority learned of their selection. The Port Authority indicated that this project would not have moved forward as quickly as it did without Brownfields Recovery Act funding, and future redevelopment plans for the site include commercial or light industrial buildings, greenspace and a new stormwater system.

Superfund

The EPA Superfund program protects citizens from the dangers posed by abandoned or uncontrolled hazardous waste sites. Two thirds of the sites listed on the National Priorities List (NPL) have had cleanup construction completed. In addition to completing construction on the remaining sites on the NPL, the program is focused on ensuring that these sites are ready to be returned to beneficial use by the community, putting both people and property back to work.

The Superfund remedial program has continued to evolve over the years. While the Agency has been able to achieve construction completion at most of its sites, there are remaining sites that require cleanups that will take decades to complete. In addition, new and challenging sites have been added to the NPL.

On April 15, 2009, EPA announced $600 million in Recovery Act funds for Superfund remedial activities at 50 sites in 28 states around the country. With this funding, EPA can continue Superfund program progress by starting new cleanup projects, accelerating cleanup projects already underway, increasing the number of workers and activities at cleanup projects, and returning sites to more productive use.

Cleanup activities at Superfund sites receiving Recovery Act funds will also yield significant economic benefits, including improved site property values and job opportunities. Superfund sites are often located in the areas hardest hit by unemployment and downturns in the economy. EPA anticipates that the Recovery Act funding for the Superfund remedial program will leverage jobs in communities across the country while also increasing demand for construction materials such as steel and concrete. EPA developed an implementation plan that will obligate funds ahead of statutory requirements and we expect work to accelerate at many sites where construction is already underway.

At the Iron Mountain Mine site in Redding, California, Superfund Recovery Act funds are being used to accelerate the dredging, treatment and disposal of heavy metal contaminated sediment located in the Spring Creek Arm of the Keswick Reservoir. Manufacturing contractors have recently begun the initial work to build treatment systems and sediment pumps for installation this summer. The Recovery Act funds will reduce long-term costs and accelerate project construction, with project completion in 18 months instead of the original schedule of three years.

Conclusion

EPA looks forward to continuing to work with this Committee, our federal, state, and tribal partners, and members of the public as we work to effectively implement the American Recovery and Reinvestment Act of 2009 with oversight, accountability, and transparency. Thank you again for inviting me to testify here today and I look forward to answering your questions.

U. S. Department of
Homeland Security

United States
Coast Guard

Commandant
United States Coast Guard

2100 Second Street, S.W.
Washington, DC 20593-0001
Staff Symbol: CG-0921
Phone: (202) 372-3500
FAX: (202) 372-2311

DEPARTMENT OF HOMELAND SECURITY

U. S. COAST GUARD

WRITTEN TESTIMONY OF

MR. MARTIN RAJK
DEPUTY ASSISTANT COMMANDANT FOR RESOURCES

ON THE

AMERICAN RECOVERY AND REINVESTMENT ACT

BEFORE THE

COMMITTEE ON TRANSPORTATION & INFRASTRUCTURE

U. S. HOUSE OF REPRESENTATIVES

JULY 31, 2009

The Coast Guard thanks the Chairman and distinguished members of the Committee for the opportunity to provide the Coast Guard's progress regarding funding received from the American Recovery and Reinvestment Act (ARRA) (P.L. 111-5). The ARRA provided the Coast Guard with $240 million to address critical priorities within our Alteration of Bridges Program and address deficiencies in our shore infrastructure and our High Endurance Cutter fleet.

I. ALTERATION OF BRIDGES PROGRAM

For the Coast Guard's Alteration of Bridges Program, the ARRA provided the following:

> For an additional amount for "Alteration of Bridges", $142,000,000 for alteration or removal of obstructive bridges, as authorized by section 6 of the Truman-Hobbs Act (33 U.S.C. 516): *Provided*, That the Coast Guard shall award these funds to those bridges that are ready to proceed to construction: *Provided further*, That no later than 45 days after the date of enactment of this Act, the Secretary of Homeland Security shall submit to the Committees on Appropriations of the Senate and the House of Representatives a plan for the expenditure of these funds.

ARRA funds allow for the completion of four projects to alter bridges found to be unreasonably obstructive to navigation. These construction projects offer numerous benefits: employment for the construction sector and local communities; long-term economic returns; and safely and efficiently navigable waterways. Further, these projects leverage an additional $120.4 million of previously obligated Bridge Alteration appropriations allocated to these projects. As such, the ARRA appropriation results in a $262 million stimulative impact on the economies of four different states as well as national suppliers of equipment and materials associated with the projects.

Summary of the Four Bridge Alteration Construction Projects: A summary of the four bridge projects, including the current status, funded via the ARRA follows:

1. **Mobile Bridge** (Mobile River), Alabama
   - ***Background:*** CSX Transportation, owner of the Mobile Bridge, was issued a Coast Guard Order To Alter (OTA) in June 1999.
   - ***Execution Strategy***: Competitive bid process.
   - ***Accomplishments to Date & Future Milestones:***
     - Plans, Specifications, and Engineers Estimate are complete.
     - Requirements under the National Environmental Policy Act (NEPA) and section 106 of the National Historic Preservation Act (NHPA) have been completed.
     - On April 16, 2009, the Coast Guard authorized CSX Transportation to advertise the bid solicitation.
     - Contract award is anticipated by August 2009.
     - Construction completion is anticipated by August 2011.

2. **Elgin, Joliet & Eastern (EJ&E) Bridge** (Illinois Waterway), Illinois
   - ***Background:*** Owners of the EJ&E Bridge were issued a Coast Guard OTA in February 1995. Effective January 2009, the Canadian National Railway Company became the owner of this bridge.

- ***Execution Strategy**: As required by the Truman-Hobbs Act, Bridge owners will use a form of competitive bidding known as sealed bidding, and bids will be invited from qualified contractors, licensed to do work in the State of Illinois where the bridge is located. Bids will be evaluated on the basis of cost, proposed time to complete the contract, and contractor's qualifications."*
- ***Accomplishments to Date:***
  - Plans, Specifications, and Engineers Estimate are complete.
  - Both NEPA and NHPA Section 106 requirements have been completed for the EJ&E Bridge.
  - On 15 May 2009, Coast Guard authorized Canadian National Railway Company to advertise the bid solicitation.
  - Contract award is anticipated by August 2009.
  - Construction completion is anticipated by August 2011.

3. **Burlington Bridge** (Upper Mississippi River), Iowa
   - ***Background**:* The Burlington Northern Santa Fe Railroad Company, owner of the Burlington Bridge, was issued a Coast Guard OTA in August 1991.
   - ***Execution Strategy**:* Competitive bid process.
   - ***Accomplishments to Date:***
     - Plans, Specifications, and Engineers Estimate are complete.
     - Both NEPA and NHPA Section 106 requirements have been completed for the Burlington Bridge.
     - On April 27, 2009, the Coast Guard authorized Burlington Northern Santa Fe Railroad Company to advertise the bid solicitation.
     - Contract award is anticipated by August 2009.
     - Construction completion is anticipated by August 2011.

4. **Galveston Causeway Bridge** (Gulf Intercoastal Waterway), Texas
   - ***Background**:* Galveston County, owner of the Galveston Causeway Bridge, was issued a Coast Guard OTA in June 2001
   - ***Execution Strategy**:* Competitive bid process.
   - ***Accomplishments to Date:***
     - NEPA and NHPA Section 106 requirements have been addressed. The project's Environmental Assessment, which is estimated to be finished by the end of May 2009, will complete the NEPA process.
     - On 1 July 2009, the Coast Guard authorized Galveston County to advertise bid solicitation.
     - Contract award is anticipated by October 2009.
     - Construction completion is anticipated by October 2011.

Bridge Alteration Construction Project Schedules and Project Milestones

Authorized Owner to Solicit Bids	16-Apr-09	15-May-09	27-Apr-09	1-Jul-09
Award Construction Contract	15-Aug-09	31-Aug-09	15-Aug-09	23-Oct-09
Completion of Substructure Work	30-Mar-10	31-Apr-10	30-Mar-10	23-Jun-10
Float out and Float in the Movable Span	30-Mar-11	31-Apr-11	30-Mar-11	23-Jun-11
Completion of the Project	15-Aug-11	31-Aug-11	15-Aug-11	23-Oct-11

II. ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS (AC&I)

Specific to the Coast Guard's AC&I appropriation, the ARRA provided the following:

> For an additional amount for "Acquisition, Construction, and Improvements", $98,000,000 for shore facilities and aids to navigation facilities; for priority procurements due to materials and labor cost increases; and for costs to repair, renovate, assess, or improve vessels: *Provided*, That no later than 45 days after the date of enactment of this Act, the Secretary of Homeland Security shall submit to the Committees on Appropriations of the Senate and the House of Representatives a plan for the expenditure of these funds.

Of the $98 million appropriated in AC&I funding, $88 million will be used for the construction, renovation, and repair of vital shore facilities that provided critical support necessary to execute a full range of mission needs. The remaining $10 million of the appropriation will address High Endurance Cutter (WHEC) fleet Engineering Changes (ECs), which are among the Coast Guard's top mission priorities.

Shore Facility Projects: A list of shore facility projects to be completed with ARRA funding is provided below.

1. **Station Coos Bay, OR**
   - ***Background:*** The project will provide covered moorings for Coast Guard small boats. The existing covered mooring structure cannot accommodate the station's 47' Motor Lifeboats (MLB). Without adequate covered moorings, boat maintenance and operations are continually disrupted during periods of adverse weather.
   - ***Execution Strategy:*** Coast Guard management of design and construction.
   - ***Accomplishments to Date:***
     - NEPA and Section 106 NHPA Requirements: An Environmental Assessment and Finding of No Significant Impact have been completed. NHPA Section 106 requirements will be finished prior to funds execution.
     - Contract award is anticipated by March 2010.
     - Construction completion is anticipated by September 2011.

2. **Coast Guard Cutter (CGC) Sycamore - Cordova, AK Housing**
   - ***Background:*** The project will complete the final phase of a housing project to construct 26 housing units. These units are required to support Coast Guard housing needs in Southeast Alaska.
   - ***Execution Strategy:*** Coast Guard management of design and construction.
   - ***Accomplishments to Date:***
     - NEPA and Section 106 NHPA Requirements: Ongoing, with completion expected prior to funds execution.
     - The Coast Guard exercised an option in June 2009 on the existing contract for Phase IV of the project.
     - Construction completion is anticipated by March 2011.

3. Station Neah Bay, WA

- ***Background:*** The project will provide covered moorings for Coast Guard small boats. Without covered moorings, boat maintenance and operations are continually disrupted during periods of adverse weather.
- ***Execution Strategy:*** Coast Guard management of design and construction.
- ***Accomplishments to Date:***
    - NEPA and Section 106 NHPA Requirements: An Environmental Assessment and Finding of No Significant Impact have been completed. NHPA Section 106 requirements will be finished prior to funds execution.
    - Contract award is anticipated by September 2009.
    - Construction completion is anticipated by September 2011.

4. Support Center Elizabeth City, NC

- ***Background:*** The project will replace Thrun Hall (Barracks), Phase I. This barracks facility is functionally obsolete, including numerous code compliance discrepancies, in poor condition, and beyond economic rehabilitation.
- ***Execution Strategy:*** Coast Guard management of design and construction.
- ***Accomplishments to Date:***
    - NEPA and Section 106 NHPA Requirements: An Environmental Assessment and NHPA Section 106 consultation have been initiated and will be finished prior to funds execution.
    - Contract award is anticipated by March 2010.
    - Construction completion is anticipated by September 2011.

5. Station Indian River, DE

- ***Background:*** The project will provide waterfront bulkhead repairs and replacement for a Coast Guard small boat station.
- ***Execution Strategy:*** Coast Guard management of design and construction.
- ***Accomplishments to Date:***
    - NEPA and Section 106 NHPA Requirements: A categorical exclusion has been completed. NHPA Section 106 requirements have been met and there is no impact to historic resources.
    - Contract award is anticipated by March 2010.
    - Construction completion is anticipated by June 2011.

6. Training Center (TRACEN) Yorktown, VA

- ***Background:*** The project will upgrade the water distribution system for a large Coast Guard training campus to meet life-safety standards.
- ***Execution Strategy:*** Coast Guard management of design and construction.
- ***Accomplishments to Date:***
    - NEPA and Section 106 NHPA Requirements: An Environmental Assessment and NHPA Section 106 consultation have been initiated and will be finished prior to funds execution.
    - Contract award is anticipated by March 2010.
    - Construction completion is anticipated by September 2011.

7. **Group/Air Station North Bend, OR, ENG/AST Building**
   - ***Background:*** The project will demolish six maintenance-intensive and functionally obsolete buildings and replace with a single, multi-purpose facility.
   - ***Execution Strategy:*** Coast Guard management of design and construction.
   - ***Accomplishments to Date:***
     - NEPA and Section 106 NHPA Requirements: A categorical exclusion has been completed. NHPA Section 106 requirements have been met and there is no impact to historic resources.
     - Contract award is anticipated by March 2010.
     - Construction completion is anticipated by September 2011.

High Endurance Cutter (WHEC) Engineering Changes: Of the $98 million appropriated in AC&I funding, $10 million was provided to address ECs for the 378' WHEC fleet. These ECs target the most significant mechanical and electrical system issues; they are required to improve existing capabilities and extend the useful life of these cutters. They also address auxiliary support systems, safety, and environmental issues. ECs will be completed based on operational availability of the cutter, equipment, and contractor availability. Of the $10 million provided for these purposes, $760,599 will be allocated for Engineering Technical Support, which includes materials market research, engineering drawings, Maintenance Procedure Card development, installation specifications, spare part lists, and technical publications in support of the below ECs. EC costs are in addition to normal maintenance. NEPA and NHPA Section 106 compliance is in progress and will be completed prior to funds execution. The following six ECs will be executed:

1. **Boiler Fireside Upgrades & Boiler Reliability Improvement**
   - ***Background:*** The project will replace obsolete and unreliable boiler components with new burner controls and exhaust gas monitoring system on the ship's service boilers.
   - ***Impacted Cutters:*** Coast Guard Cutter (CGC) HAMILTON, DALLAS, BOUTWELL, GALLATIN, RUSH, MUNRO, JARVIS, and MIDGETT.
   - ***Accomplishments to Date:***
     - Contract award is anticipated by December 2009.
     - Contract completion is anticipated by December 2010.

2. **Automatic Bus Transfer Switch Upgrade**
   - ***Background:*** The project will replace the obsolete automatic bus transfer switches to improve electrical distribution reliability and safety.
   - ***Impacted Cutters:*** CGC MELLON, BOUTWELL, SHERMAN, GALLATIN, MORGENTHAU, MUNRO, JARVIS, and MIDGETT.
   - ***Accomplishments to Date:***
     - Contract award is anticipated by December 2009.
     - Contract completion is anticipated by March 2011.

3. **Refrigeration System Upgrade**
   - ***Background:*** The project will replace unserviceable refrigeration boxes and improve the refrigeration system with an environmentally-approved refrigerant.
   - ***Impacted Cutters:*** CGC MELLON, BOUTWELL, MORGENTHAU, and MIDGETT.

- ***Accomplishments to Date:***
  - Contract for Government Furnished Equipment (GFE) Contract awarded April 2009.
  - Contract award of remaining $2,091,000 for installation is anticipated by December 2009.
  - Contract completion is anticipated by September 2010.

4. **Fire & Smoke Alarm System**
   - ***Background:*** The project will replace an obsolete and unsupportable monitoring system, providing a more reliable remote sensing capability.
   - ***Impacted Cutters:*** CGC HAMILTON, DALLAS, CHASE, GALLATIN, RUSH, and JARVIS.
   - ***Accomplishments to Date:***
     - Contract award is anticipated by December 2009.
     - Contract completion is anticipated by December 2010.

5. **Auxiliary Salt Water Pump Replacement**
   - ***Background:*** The project will replace worn out and unsupportable equipment which provides cooling water to multiple auxiliary support systems.
   - ***Impacted Cutters:*** CGC HAMILTON, DALLAS, CHASE, BOUTWELL, SHERMAN, GALLATIN, MORGENTHAU, and RUSH.
   - ***Accomplishments to Date:***
     - Contract award is anticipated by August 2009.
     - Contract completion is anticipated by December 2010.

6. **Lube Oil Purifier Replacement**
   - ***Background:*** The project will replace obsolete lube oil purifiers, which provide lube oil clarification and purification of the main propulsion diesel engines and the ship's service diesel electrical generators.
   - ***Impacted Cutters:*** CGC DALLAS, CHASE, MORGANTHAU, and MELLON.
   - ***Accomplishments to Date:***
     - Contract award is anticipated by September 2009.
     - Contract completion is anticipated by September 2010.

CONCLUSION

I appreciate your continued strong support of the Coast Guard. Through funding provided in the ARRA, the Coast Guard is addressing critical infrastructure issues and replacing obsolete and inoperable equipment throughout the 378' WHEC fleet that impede mission performance. There is no question that the funding provided through the ARRA is improving the Coast Guard's operational capabilities, providing an economic boost to American companies and workers, and helping to ensure the long-term viability of infrastructure critical to the economic well-being of communities.

Thank you for the opportunity to testify before you today. I am pleased to answer your questions.

DEPARTMENT OF THE ARMY

COMPLETE STATEMENT

THE HONORABLE TERRENCE C. SALT
ACTING ASSISTANT SECRETARY OF THE ARMY
(CIVIL WORKS)

BEFORE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
UNITED STATES HOUSE OF REPRESENTATIVES

ON

Implementation of
The American Recovery and Reinvestment Act of 2009

JULY 31, 2009

Mr. Chairman and distinguished members of the Committee, I am Terrence Salt, Acting Assistant Secretary of the Army (Civil Works). Thank you for the opportunity to testify before the Committee today to discuss the Army's implementation of the Civil Works appropriation within the American Recovery and Reinvestment Act of 2009 (Recovery Act) .

OVERVIEW

The Recovery Act provides funds to meet the intent of the President and Congress to quickly put our fellow citizens to work and to help in the recovery of the Nation's economy. The accomplishment of Corps of Engineers Civil Works projects through Recovery Act funding has begun to contribute to the Nation's safety, economy, environment, and quality of life. The Act provides funding to: Preserve and create jobs and promote recovery; assist those most impacted by the recession; provide investment needed to increase economic efficiency by spurring technological advance in science and health; invest in transportation, environmental protection, and other infrastructure that will provide long term economic benefits; and stabilize State and local government budgets.

The Recovery Act provides funding to the Corps to accomplish these goals through the development and restoration of the Nation's water and related resources. There is also funding to support our permitting activities for protection of the Nation's regulated waters and wetlands and cleanup of sites contaminated as a result of the Nation's early efforts to develop atomic weapons.

Total discretionary funding for Civil Works in the Recovery Act is $4.6 billion and is provided in six accounts. Within the total program, $2.075 billion is for activities funded in the Operation and Maintenance account. The Recovery Act also provides $2 billion in the Construction account; $375 million in the Mississippi River and Tributaries account; $25 million in the Investigations account; $25 million in the Regulatory account; and $100 million in the Formerly Utilized Sites Remedial Action Program account.

The Corps will follow the Recovery Act's general principle to manage and expend funds so as to achieve the Act's stated purposes, including commencing expenditures and activities as quickly as possible consistent with prudent management, and consistent with the President's direction provided in the Executive Memorandum of 20 March 2009 – Ensuring Responsible Spending of Recovery Act Funds. In that Memorandum, the President directed agencies to be sure that Recovery Act funds are spent responsibly and transparently and that projects are selected on merit-based principles.

Additional project selection criteria suggested in the Joint Explanatory Statement accompanying the Act states that projects, programs or activities (PPAs) accomplished with Recovery Act dollars will:

- Be obligated/executed quickly;
- Result in high, immediate employment;
- Have little schedule risk;
- Be executed by contract or direct hire of temporary labor; and
- Complete a project phase, a project, an element, or will provide a useful service that does not require additional funding.

Also as stipulated in the Recovery Act, no funds will be allocated for any PPA that, at the time of the allocation, had not previously received funds in Acts making appropriations available for Energy and Water Development. In other words, no new starts can receive Recovery Act funds.

Other statutory language includes:

- Recovery Act funds are not to be cost-shared with the Inland Waterways Trust Fund
- Not less than $200 million for environmental infrastructure (wastewater treatment and municipal and industrial water supply treatment and distribution)
- Section 902 of the Water Resources Development Act of 1986, as amended (establishing a maximum authorized cost for a project and prohibiting expenditures in excess of this limit), does not apply in Fiscal Year 2009
- All unobligated funds (except for Engineering and Design (E&D), Supervision and Administration (S&A) and claims for Recovery Act-funded work) expire September 30, 2010.

STATUS OF RECOVERY ACT EXECUTION FOR CIVIL WORKS

Of the $4.6 billion appropriated for Civil Works, approximately $4.4 billion has been identified for Civil Works projects and activities, and, as of July 17, 2009, approximately $3.5 billion has been distributed to the field offices which will be executing this work, as of July 17, 2009. As of that date, financial obligations totaled $694 million, of which $648 million was for contracts, and outlays totaled $84 million.

Nearly half of the available Recovery Act funds for Civil Works are scheduled for financial obligation from May through September 2009. During that same period over 1,000 contract actions are scheduled, such as the award of new contracts, options, and task orders. This brisk pace will continue through December 2009, by which time about two-thirds of Civil Works recovery Act funds will have been obligated.

Through July 17, 2009, awards to small businesses total $223 million, or 34 percent of the total obligated. Contract actions involving small businesses were 465, or 73 percent of the total of 638 contract actions. In addition, larger companies receiving Civil Works contracts are encouraged to hire local small business as their sub-contractors.

The Civil Works investments funded with Recovery Act funds were selected, in part, to achieve most of work through contracting, and to award the contracts in a short period of time. This approach maximizes private sector employment impacts. Stimulus effects begin with contract award, as that is when the contractor begins to hire workers, order materials and equipment, and take other steps to complete the work, creating ripples through the economy. As a result, stimulus impacts are more closely related to obligation of Recovery Act funds, primarily through contract awards, rather than the subsequent outlays, which provide payments to contractors for work they already have completed or for supplies and equipment they already have purchased.

Overall, the investment of Civil Works Recovery Act funds will directly support approximately 50,000 jobs (though job impacts vary depending on the type of work). In addition to the direct job support, these investments will support numerous indirect jobs in industries supplying material and equipment. Finally, additional jobs will be supported as the direct and indirect income generates increased consumer spending.

Investments in Civil Works projects also create lasting positive economic impacts, long after the short-term effects of the funded construction and maintenance or repair activities have faded.

CONCLUSION

At $4.6 billion, the Recovery Act provides resources for the Civil Works program to pursue investments that will create and preserve jobs and yield good returns for the Nation in the future.

Thank you, Mr. Chairman and Members of the Committee, for this opportunity to testify on the Recovery Act program for the U.S. Army Corps of Engineers Civil Works Program.

United States Government Accountability Office

GAO

Testimony
Before the Committee on Transportation and Infrastructure, House of Representatives

For Release on Delivery
Expected at 10:00 a.m. EDT
Friday, July 31, 2009

RECOVERY ACT

States' Use of Highway Infrastructure Funds and Compliance with the Act's Requirements

Statement of Katherine A. Siggerud, Managing Director
Physical Infrastructure Issues

GAO
Accountability * Integrity * Reliability

GAO-09-926T

GAO
Accountability Integrity Reliability

Highlights

Highlights of GAO-09-926T, a testimony before the Committee on Transportation and Infrastructure, House of Representatives

Why GAO Did This Study

The American Recovery and Reinvestment Act of 2009 (Recovery Act) included more than $48 billion for the Department of Transportation's (DOT) investment in transportation infrastructure, including highways, rail, and transit. This testimony—based on GAO report GAO-09-829, issued on July 8, 2009 and updated with more recent data, in response to a mandate under the Recovery Act—addresses (1) the uses of Recovery Act transportation funding, including the types of projects states have funded, (2) the steps states have taken to meet the act's requirements, and (3) GAO's other work on transportation funding under the Recovery Act.

In GAO-09-829, GAO examined the use of Recovery Act funds by 16 states and the District of Columbia (District), representing about 65 percent of the U.S. population and two-thirds of the federal assistance available through the act. GAO also obtained data from DOT on obligations and reimbursements for the Recovery Act's highway infrastructure funds.

What GAO Recommends

In GAO-09-829, GAO recommended that the Secretary of Transportation develop clear guidance on identifying and giving priority to economically distressed areas. DOT agreed with this recommendation and is consulting with the Department of Commerce to develop additional guidance on criteria to classify distressed areas for Recovery Act funding.

View GAO-09-926T or key components. For more information, contact Katherine A. Siggerud or A. Nicole Clowers at (202) 512-2834.

July 31, 2009

RECOVERY ACT

States' Use of Highway Infrastructure Funds and Compliance with the Act's Requirements

What GAO Found

A substantial portion of Recovery Act highway funds have been obligated, with most funded projects focusing on pavement improvements. In March 2009, $26.7 billion was apportioned to 50 states and the District for highway infrastructure and other eligible projects. As of July 17, 2009, $16.8 billion of the apportioned funds had been obligated for over 5,700 projects nationwide. About half of the funds has been obligated for pavement improvements such as reconstructing or rehabilitating roads; 17 percent has been obligated for pavement-widening projects; and about 12 percent has been obligated for bridge projects. Remaining funds were obligated for the construction of new roads and safety projects, among other things.

States have generally complied with the act's three major requirements on the use of transportation funds: (1) Fifty percent of funds must be obligated within 120 days of apportionment. All states have met this requirement. (2) Priority for funding must be given to projects that can be completed within 3 years and are located in economically distressed areas, as defined by the Public Works and Economic Development Act. Officials from almost all of the states included in GAO's review said they considered project readiness, including the 3-year completion requirement, when making project selections. However, due to the need to select projects and obligate funds quickly, many states first selected projects based on other factors and only later identified whether these projects fulfilled the economically distressed area requirement. Additionally, some states identified economically distressed areas using data or criteria not specified in the Public Works or Recovery Act. In each of these cases, states told us that DOT's Federal Highway Administration (FHWA) approved the use of alternative criteria but it is not clear under what authority it did so as FHWA did not consult with or seek the approval of the Department of Commerce. (3) State spending on transportation projects must be maintained at the level the state had planned to spend as of the day the Recovery Act was enacted. With one exception, the states have certified that they will maintain their level of spending.

GAO will continue to monitor states' use of Recovery Act funds for transportation programs and their compliance with program rules. In the next report, in September 2009, GAO plans to provide information on the use of Recovery Act funds for transit programs and for highway programs. Previous GAO work on the act has addressed other transportation issues. For instance, GAO's work on discretionary transportation grants found that DOT followed key elements of federal guidance in developing selection criteria for awarding these grants, and GAO's work on intercity rail funding found that although DOT's strategic plan for high-speed rail generally outlines how the act's funds may be invested for high-speed rail development, the plan does not establish clear goals or a clear role for the federal government.

Mr. Chairman and Members of the Committee:

I am pleased to be here to discuss our work examining selected states' use of funds made available for highway infrastructure projects under the American Recovery and Reinvestment Act of 2009 (Recovery Act).[1] Congress and the administration have fashioned a significant response to what is generally considered to be the nation's most serious economic crisis since the Great Depression. The Recovery Act's combined spending and tax provisions are estimated to cost $787 billion, including more than $48 billion in spending by the Department of Transportation (DOT) for investments in transportation infrastructure such as highways, passenger rail, and transit. The Recovery Act specifies several roles for GAO, including conducting ongoing reviews of selected states' and localities' use of funds made available under the act. We recently completed our second review, which examined a core group of 16 states, the District of Columbia (District), and selected localities.[2]

My statement today is based largely on our recently completed work in this area and addresses (1) the uses of Recovery Act transportation funding including the types of projects states have funded, (2) the steps states have taken to meet the act's requirements, and (3) GAO's other work on transportation funding under the Recovery Act. The states selected for our review contain about 65 percent of the U.S. population and are estimated to receive collectively about two-thirds of the intergovernmental federal assistance funds available through the Recovery Act. We selected these states and the District on the basis of federal outlay projections, percentage of the U.S. population represented, unemployment rates and changes, and a mix of states' poverty levels, geographic coverage, and representation of both urban and rural areas. We also obtained data from DOT on obligations and reimbursements for the Recovery Act's highway infrastructure funds. We conducted performance audits for our second review from April 21, 2009, to July 2, 2009, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence

[1]Pub. L. No. 111-5, 123 Stat. 115 (Feb. 17, 2009).

[2]GAO, *Recovery Act: States' and Localities' Current and Planned Uses of Funds While Facing Fiscal Stresses* GAO-09-829 (Washington, D.C.: July 8, 2009).

obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

In March 2009, $26.7 billion of Recovery Act funding was apportioned to all 50 states and the District for activities allowed under the Federal-Aid Highway Surface Transportation Program, including restoration, repair, and construction of highways, and for other eligible surface transportation projects. The act requires that 30 percent of these funds be suballocated for projects in metropolitan and other areas of the state. Highway funds are apportioned to the states through federal-aid highway program mechanisms, and states must follow the requirements of the existing program.[3] Under the Recovery Act, the maximum federal fund share of highway infrastructure investment projects is 100 percent, whereas the federal share under the existing federal-aid highway program is generally 80 percent.

States Have Used a Substantial Portion of Highway Funds, with Funded Projects Focusing on Pavement Improvements

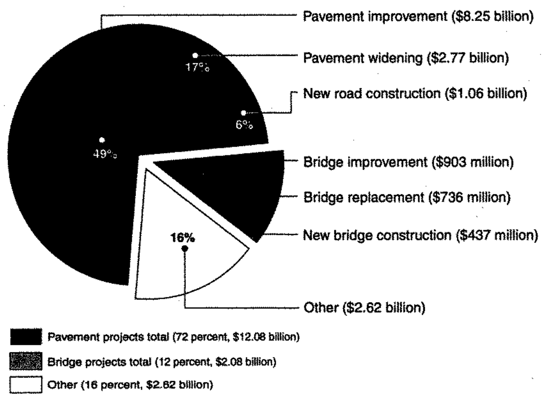
As of July 17, 2009, $16.8 billion of the apportioned funds had been obligated[4] for over 5,700 projects nationwide, including $9.8 billion that had been obligated for over 2,900 projects in the 16 states and the District that are the focus of our review. About half of Recovery Act highway obligations nationwide have been for pavement improvements. Specifically, $8.2 billion is being used for projects such as reconstructing or rehabilitating deteriorated roads. Many state officials told us they selected a large percentage of resurfacing and other pavement improvement projects because they did not require extensive environmental clearances, were quick to design, could be quickly obligated and bid, could employ people quickly, and could be completed within 3 years. In addition, about $2.8 billion, or about 17 percent of Recovery Act funds nationally, has been obligated for pavement-widening

[3]These requirements include ensuring the project meets all environmental requirements associated with the National Environmental Policy Act (NEPA), paying a prevailing wage in accordance with federal Davis-Bacon requirements, complying with goals to ensure disadvantaged businesses are not discriminated against in the awarding of construction contracts, and using American-made iron and steel in accordance with the Buy America program.

[4]The U.S. Department of Transportation has interpreted the term obligation of funds to mean the federal government's contractual commitment to pay for the federal share of the project. This commitment occurs at the time the federal government signs a project agreement.

projects, and around 12 percent has been obligated for the replacement and improvement of existing bridges, and the construction of new bridges. Figure 1 shows obligations by the types of road and bridge improvements being made.

Figure 1: Percentage of Highway Obligations Nationwide by Project Improvement Type as of July 17, 2009



Source: GAO analysis of FHWA data.

Note: "Other" category includes safety projects such as improving safety at railroad grade crossings, transportation enhancement projects such as pedestrian and bicycle facilities, engineering, and right-of-way purchases.

As of July 17, 2009, $401.4 million had been reimbursed nationwide by the Federal Highway Administration (FHWA), including $140.8 million that had been reimbursed for projects in the 16 states and the District.[5] DOT officials told us that although funding has been obligated for more than

[5]The Federal Aid Highway Program is not a "cash up-front" program. No cash is actually disbursed until states incur costs. Projects are approved and work is started, then the federal government makes payments—also called reimbursements—to the states for costs as they are incurred on projects. The amount of cash paid to the states reflects only the federal share of the project's cost.

5,000 projects, it may be months before contractors mobilize and begin work. States make payments to these contractors for completed work and then can request reimbursement from FHWA. Nevertheless, this is a notable increase in reimbursements since we issued our report on July 8, 2009. At that time we reported that, according to June 25 data, FHWA had reimbursed $233 million nationwide, including $96.4 million that had been reimbursed to the 16 states and the District. This is an increase of about 72 percent and 46 percent respectively over a period of about three weeks, compared with increases in obligations in the 6 percent range. We will continue to monitor these trends in the weeks ahead.

According to state officials, because an increasing number of contractors are looking for work, bids for Recovery Act contracts have come in under estimates. State officials told us that bids for the first Recovery Act contracts were ranging from around 5 percent to 30 percent below the estimated cost. Several state officials told us they expect this trend to continue until the economy substantially improves and contractors begin taking on enough other work.

States Have Generally Complied with Program Requirements

Funds appropriated for highway infrastructure spending must be used as required by the Recovery Act. States are required to do the following:

- Ensure that 50 percent of apportioned Recovery Act funds are obligated within 120 days of apportionment (before June 30, 2009) and that the remaining apportioned funds are obligated within 1 year. The 50 percent rule applied only to funds apportioned to the state and not to the 30 percent of funds required by the Recovery Act to be suballocated, primarily based on population, for metropolitan, regional, and local use. The Secretary of Transportation is to withdraw and redistribute to other states any amount that is not obligated within these time frames.[6]

- Give priority to projects that can be completed within 3 years and to projects located in economically distressed areas, as defined by the Public Works and Economic Development Act of 1965, as amended.[7] According to this act, to qualify as an economically distressed area, an area must meet one or more of three criteria, two of which related to income and unemployment based on the most recent federal or state data, and the

[6] Recovery Act, div. A, title XII, 123 Stat. 115, 206.

[7] *Id.*

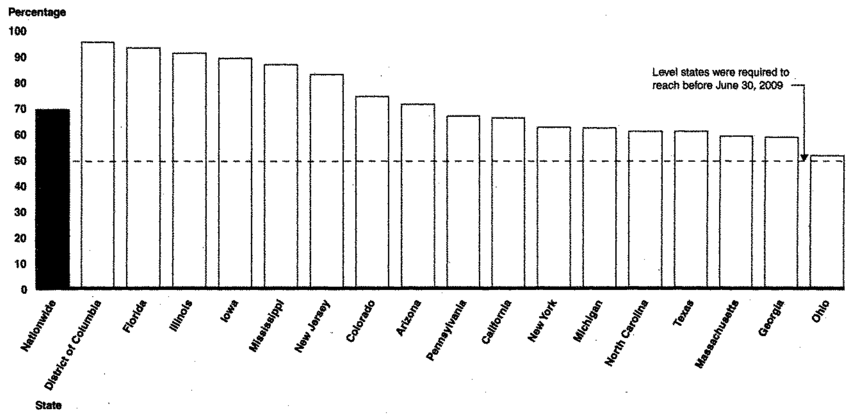
third of which is based on a Department of Commerce determination of special need.

- Certify that the state will maintain the level of spending for the types of transportation projects funded by the Recovery Act that it planned to spend the day the Recovery Act was enacted. As part of this certification, the governor of each state is required to identify the amount of funds the state plans to expend from state sources from February 17, 2009, through September 30, 2010.[8]

All states have met the first Recovery Act requirement that 50 percent of their apportioned funds are obligated within 120 days. Of the $18.7 billion nationally that is subject to this provision, 69 percent was obligated as of June 25, 2009. The percentage of funds obligated nationwide and in each of the states included in our review is shown in figure 2.

[8]Recovery Act, div. A, title XII, § 1201.

Figure 2: Percentage of Recovery Act Highway Funds Obligated as of June 25, 2009



Source: GAO analysis of Federal Highway Administration data.

Note: This figure does not include obligations that are not subject to the 120-day redistribution requirement (including funds suballocated to localities) and obligations associated with apportioned funds that were transferred from FHWA to the Federal Transit Administration (FTA) for transit projects. Generally, FHWA has authority pursuant to 23 U.S.C. § 104(k)(1) to transfer funds made available for transit projects to FTA.

The second Recovery Act requirement is to give priority to projects that can be completed within 3 years and to projects located in economically distressed areas. While officials from almost all of the states said that they considered project readiness, including the 3-year completion requirement, when making project selections, there was substantial variation in the extent to which states prioritized projects in economically distressed areas and how they identified these areas.

Due to the need to select projects and obligate funds quickly, many states first prioritized projects based on other factors and only later identified whether these projects fulfilled the requirement to give priority to projects in economically distressed areas. According to the American Association of State Highway and Transportation Officials, in December 2008, states had already identified more than 5,000 "ready-to-go" projects as possible selections for federal stimulus funding, 2 months prior to enactment of the Recovery Act. Officials from several states also told us they had selected projects prior to the enactment of the Recovery Act and that they only gave consideration to economically distressed areas after they received guidance from DOT. States also based project selection on other priorities, such as geographic distribution, the potential for job creation or other economic benefits, and state planning criteria or funding formulas.[9]

DOT and FHWA have yet to provide clear guidance regarding how states are to implement the requirement that priority be given to economically distressed areas. In February 2009, FHWA published replies to questions from state transportation departments on its Recovery Act Web site stating that because states have the authority to prioritize and select federal-aid projects, it did not intend to develop or prescribe a uniform procedure for applying the Recovery Act's priority rules. Nonetheless, FHWA provided a tool to help states identify whether projects were located in economically distressed areas. Further, in March 2009, FHWA provided guidance to its division offices stating that FHWA would support the use of "whatever current, defensible, and reliable information is available to make the case that [a state] has made a good faith effort to consider economically distressed areas" and directed its division offices to take appropriate action to ensure that the states gave adequate consideration to economically distressed areas.

We also found some instances of states developing their own eligibility requirements for economically distressed areas using data or criteria not specified in the Public Works and Economic Development Act. According to the act, to qualify for this designation, an area generally must (1) have a per capita income of 80 percent or less of the national average or (2) have an unemployment rate that is, for the most recent 24-month period for which data are available, at least 1 percent greater than the national average unemployment rate. For areas that do not meet one of these two criteria, the Secretary of Commerce has the authority to determine that an area has experienced or is about to experience a special need arising from actual or threatened severe unemployment or economic adjustment problems resulting from severe short-term or long-term changes in

[9]For example, according to officials in North Carolina, the state used its statutory Equity Allocation Formula to determine how highway infrastructure investment funds would be distributed. Similarly, in Texas, state officials said they first selected highway preservation projects by allocating a specific amount of funding to each of the state's 25 districts, where projects were identified that addressed the most pressing needs.

economic conditions.[10] In each of the cases we identified, the states informed us that FHWA approved the state's use of alternative criteria. However, FHWA did not consult with or seek the approval of the Department of Commerce, and it is not clear under what authority FHWA approved these criteria. For example:

- Arizona based the identification of economically distressed areas on home foreclosure rates and disadvantaged business enterprises—data not specified in the Public Works Act. Arizona officials said they used alternative criteria because the initial determination of economic distress based on the act's criteria excluded three of Arizona's largest and most populous counties, which also contain substantial areas that, according to state officials, are clearly economically distressed and include all or substantial portions of major Indian reservations and many towns and cities hit especially hard by the economic downturn. The state of Arizona, in consultation with FHWA, developed additional criteria that resulted in these three counties being classified as economically distressed.

- Illinois based the classification of economically distressed areas on increases in the number of unemployed persons and the unemployment rate,[11] whereas the act bases this determination on how a county's unemployment rate compares with the national average unemployment rate. According to FHWA, Illinois opted to explore other means of measuring recent economic distress because the initial determination of economic distress based on the act's criteria was based on data not as current as information available within the state and did not appear to accurately reflect the recent economic downturn in the state. Using the criteria established by the Public Works Act, 30 of the 102 counties in Illinois were identified as not economically distressed. Illinois's use of alternative criteria resulted in 21 counties being identified as economically

[10] 42 U.S.C. § 3161(a). Eligibility must be supported using the most recent federal data available or, in the absence of recent federal data, by the most recent data available through the government of the state in which the area is located. Federal data that may be used include data reported by the Bureau of Economic Analysis, the Bureau of Labor Statistics, the Census Bureau, the Bureau of Indian Affairs, or any other federal source determined by the Secretary of Commerce to be appropriate (42 U.S.C. § 3161((c)).

[11] The state based its classification of economically distressed areas on (1) whether the 2008 year-end unemployment rate was at or above the statewide average, (2) whether the change in the unemployment rate between 2007 and 2008 was at or above the statewide average, or (3) whether the number of unemployed persons for 2008 had grown by 500 or more.

distressed areas that had not been so classified following the act's criteria.[12]

- California based its economically distressed area determinations on the January 2009 monthly unemployment rates developed by the California Employment Development Department. While the use of state data is allowed under the act, the data must cover a 24-month period. California officials stated that county-level unemployment data from December 2006 through November 2008 were not sufficiently representative of the current unemployment situation in California.

Our July 2009 report recommended that the Secretary of Transportation develop (1) clear guidance on identifying and giving priority to economically distressed areas that is in accordance with the requirements of the Recovery Act and the Public Works and Economic Development Act of 1965, as amended, and (2) more consistent procedures for FHWA to use in reviewing and approving states' criteria. In its response to this recommendation, DOT said that it has already provided clear and consistent guidance to assist states and localities in identifying economically distressed areas and prioritizing projects in these areas, and that it has also conducted extensive outreach with state and local governments. However, we believe DOT's existing guidance is insufficient because, while it emphasizes the importance of giving priority to these areas, it does not define what giving priority means, and thus does not ensure that the act's priority provisions will be consistently applied. DOT also stated that it is consulting with the Department of Commerce to develop additional guidance on criteria that may be used to classify areas as economically distressed for the purpose of Recovery Act funding. We will review the additional guidance when it becomes available and plan to continue to monitor this issue in the weeks ahead for our future reports.

Finally, the states are required to certify that they will maintain the level of state effort for programs covered by the Recovery Act. With one exception, the states have completed these certifications, but they face challenges. Maintaining a state's level of effort can be particularly important in the highway program. We have found that the preponderance of evidence suggests that increasing federal highway funds influences

[12] Illinois's criteria resulted in 21 counties being classified as economically distressed areas that were not so classified by FHWA and 8 counties not being classified as economically distressed areas that were so classified by FHWA, for a net difference of 13 counties. The map tool that FHWA developed to help states identify which projects are located in economically distressed areas is based on the criteria in the Public Works Act.

states and localities to substitute federal funds for funds they otherwise would have spent on highways.[13] As we previously reported, substitution makes it difficult to target an economic stimulus package so that it results in a dollar-for-dollar increase in infrastructure investment.[14]

Most states revised the initial certifications they submitted to DOT. As we reported in April, many states submitted explanatory certifications—such as stating that the certification was based on the "best information available at the time"—or conditional certifications, meaning that the certification was subject to conditions or assumptions, future legislative action, future revenues, or other conditions.[15] The legal effect of such qualifications was being examined by DOT when we completed our review. On April 22, 2009, the Secretary of Transportation sent a letter to each of the nation's governors and provided additional guidance, including that conditional and explanatory certifications were not permitted, and gave states the option of amending their certifications by May 22. Each of the 16 states and District selected for our review resubmitted their certifications. According to DOT officials, the department has concluded that the form of each certification is consistent with the additional guidance, with the exception of Texas. Texas submitted a revised certification on July 9, 2009. According to DOT officials, as of July 28, 2009, the status of Texas' revised certification remained unresolved. For the remaining states, while DOT has concluded that the form of the revised certifications is consistent with the additional guidance, it is currently evaluating whether the states' method of calculating the amounts

[13] In 2004, we estimated that during the 1983 through 2000 period, states used roughly half of the increases in federal highway funds to substitute for funding they would otherwise have spent from their own resources and that the rate of substitution increased during the 1990s. The federal-aid highway program creates the opportunity for substitution because states typically spend substantially more than the amount required to meet federal matching requirements. As a consequence, when federal funding increases, states are able to reduce their own highway spending and still obtain increased federal funds. The federal share under the existing federal-aid highway program is generally 80 percent and the matching requirement for states is usually 20 percent. In 2004, we reported that in 2002, states and localities contributed 54 percent of the nation's capital investment in highways, while the federal government contributed 46 percent (in 2001 dollars). GAO, *Federal-Aid Highways: Trends, Effect on State Spending, and Options for Future Program Design*, GAO-04-802 (Washington, D.C.: Aug. 31, 2004).

[14] GAO, *Physical Infrastructure: Challenges and Investment Options for the Nation's Infrastructure*, GAO-08-763T (Washington, D.C.: May 8, 2008).

[15] GAO, *Recovery Act: As Initial Implementation Unfolds in States and Localities, Continued Attention to Accountability Issues Is Essential*, GAO-09-580 (Washington, D.C.: April 23, 2009).

they planned to expend for the covered programs is in compliance with DOT guidance.

States face drastic fiscal challenges, and most states are estimating that their fiscal year 2009 and 2010 revenue collections will be well below estimates. In the face of these challenges, some states told us that meeting the maintenance-of-effort requirements over time poses significant challenges. For example, federal and state transportation officials in Illinois told us that to meet its maintenance-of-effort requirements in the face of lower-than-expected fuel tax receipts, the state would have to use general fund or other revenues to cover any shortfall in the level of effort stated in its certification. Mississippi transportation officials are concerned about the possibility of statewide, across-the-board spending cuts in 2010. According to the Mississippi transportation department's budget director, the agency will try to absorb any budget reductions in 2010 by reducing administrative expenses to maintain the state's level of effort.

GAO Has Ongoing and Related Work on Transportation Programs Funded under the Recovery Act

We will continue to monitor states' and localities' use of Recovery Act funds for transportation programs and their compliance with program rules. In our next report, in September 2009, we plan to provide information on action taken by states and DOT in response to our recommendation on economically distressed areas and follow up on the progress states and metropolitan areas have made in obligating Recovery Act funds for highway infrastructure programs. We also plan to examine the use of Recovery Act funds for the Federal Transit Administration's Transit Capital Assistance program—the transit program receiving the most recovery act funding—in selected states. We expect that subsequent reports will include information on states' use of Recovery Act funds for other transit programs, such as the Fixed Guideway Modernization program.

In addition to the two reports we have issued to date, we have also reported or testified on the following issues related to other transportation programs receiving Recovery Act funding:

- *Discretionary transportation infrastructure grants.* We reported that DOT followed key elements of federal guidance in developing selection criteria for awarding grants under this $1.5 billion dollar program.[16] These

[16]GAO, *Recovery Act: The Department of Transportation Followed Key Federal Requirements in Developing Selection Criteria for Its Supplemental Discretionary Grants Program,* GAO-09-785R (Washington, D.C.: June 30, 2009).

key elements include communicating important elements associated with funding opportunities and using selection criteria that support a framework for merit-based spending and follow transportation infrastructure investment principles.

- *High-speed passenger rail projects.* We examined the factors that can lead to economically viable projects and whether the Federal Railroad Administration's (FRA) strategic plan to use the $8 billion of Recovery Act funds provided for high-speed and other intercity passenger rail projects incorporates those factors.[17] We found that factors such as costs, ridership projections, and determination of public benefits affect which projects are likely to be economically viable. We also found that FRA's strategic plan for high-speed rail outlines, in general terms, how the federal government may invest Recovery Act funds for high-speed rail development but that it does not establish clear goals or a clear role for the federal government in high-speed rail. We are beginning follow-up work aimed at, among other things, identifying how project sponsors and others have surmounted the challenges of instituting new rail service and how FRA is positioned to develop, implement, and oversee its new high-speed rail program. We hope to have this work completed by next spring.

We will continue to monitor these and other areas in which the committee might be interested.

Mr. Chairman, this concludes my prepared statement. I would be pleased to respond to any questions that you or other Members of the Committee might have.

GAO Contact and Staff Acknowledgments

For further information regarding this statement, please contact Katherine A. Siggerud at (202) 512-2834 or siggerudk@gao.gov, or A. Nicole Clowers at (202) 512-2834 or clowersa@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. Individuals who made key contributions to this statement are Steve Cohen, Heather Halliwell, David Hooper, Bert Japikse, Hannah Laufe, Leslie Locke, and Crystal Wesco.

[17]GAO, *High Speed Passenger Rail: Effectively Using Recovery Act Funds for High Speed Rail Project*, GAO-09-786T (Washington, D.C.: June 23, 2009).

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Testimony of

Dennis Alvord
Acting Deputy Assistant Secretary of Commerce for Economic Development

Economic Development Administration
1401 Constitution Avenue, N.W.
Washington, D.C. 20230
202-482-2900

Before the

U.S. House of Representatives,
Committee on Transportation and Infrastructure

Recovery Act: 160-Day Progress Report for Transportation and Infrastructure Programs

July 31, 2009

Written Testimony Submitted by
Dennis Alvord
Acting Deputy Assistant Secretary of Commerce for Economic Development and Chief Operating Officer, Economic Development Administration
U.S. House of Representatives, Committee on Transportation and Infrastructure, Subcommittee on Economic Development
July 31, 2009

Introduction
The Economic Development Administration's (EDA) mission is to *lead the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy.* For more than 40 years, EDA has been providing financial assistance in the form of grant investments to state and local governments and eligible non-profits. Our investments help create the conditions in which jobs and private investment are created, often in the midst of economic hardship or adjustment. At EDA, we are proud of the bureau's accomplishments and continue to work tirelessly to assist economically distressed American communities, especially in the current economic climate.

American Recovery and Reinvestment Act and EDA
On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act of 2009 (Recovery Act, or the Act). The Act's primary purpose is to stimulate economic recovery by making investments that preserve and create jobs, spur technological advances, and improve infrastructure that will provide long-term economic benefits.

In the Act, EDA received $150 million, $147 million of which was allocated for strategic grant investments in areas hard hit by the current recession, and $3 million allocated for administration and oversight of those grants. In the bureau's continuing efforts to implement the Act and disburse this funding, EDA has focused its efforts on assisting those communities across the country in greatest economic distress. Our goal is to not only distribute the funds quickly and spark short-term job creation, but to ensure that these investments will lead to long-term, higher skill, higher wage jobs.

On June 4, 2009, EDA announced its first Recovery Act investment, the first discretionary grant under the Act to be awarded by the Department of Commerce which administers a total of $7.9 billion in Recovery Act funding. Since June, EDA has announced more than $23.4 million in Recovery Act investments to recipients in 13 states. Examples of these investments include:

- $906,840 to the Cleveland Community College, Shelby, North Carolina, to support renovation and expansion of an existing building on the college's campus to create classroom and laboratory space for a workforce training facility. Workers in transition will be trained for new, advanced manufacturing positions that are opening up in the region.

- $2.964 million to the city of Fremont, Ohio, to fund construction of a new reservoir that will provide safe and reliable water to the entire community. The city's previous water source is polluted with high levels of toxic nitrates.

- $843,052 to fund road improvements to the Harris-Shawnee Corridor Development Project in Muskogee County, Oklahoma. The road will allow commercial development and a new hospital to locate in the area, bringing new jobs and industries to an area which has suffered major job losses recently.

- $2.7 million to create a Revolving Loan Fund (RLF) for the timber and wood products industry in Montana. This investment addresses capital access needs and will provide both technical assistance and financing, saving many family wage jobs in the state's leading industry.

EDA's six regional offices have developed robust pipelines of economic development projects to be funded under the Act. Regional office staff is currently in the process of reviewing and vetting applications for projects totaling approximately $122.6 million and anticipate that at least an additional $30 million in project applications will be submitted for consideration. EDA's current pipeline includes investments ranging from $200,000 to more than $6 million.
Our field-based staff has collaborated with state and local officials, as well as the federally authorized regional commissions, to identify infrastructure and other grant investments to be considered during EDA's competitive review of prospective Recovery Act applications. In particular, EDA's Atlanta and Seattle regional offices have collaborated with the Appalachian Regional Commission and the Denali Commission respectively to develop five joint projects currently under review.

Through these efforts, EDA has identified numerous "shovel ready" projects across the country, including port and dock improvements, rail line expansions, and sewer/water infrastructure construction, which have already been awarded or are currently in the final stages of review. EDA anticipates providing a diverse portfolio of cutting-edge investments targeted at spurring innovation and entrepreneurship. These include business incubators, workforce development programs, and a green job/alternative energy training center. Furthermore, to address critical capital access needs, EDA has awarded and is planning further investments in capitalizing Revolving Loan Funds that will support business retention and enable new lending for entrepreneurial activities. While the vast majority of the bureau's Recovery Act investments-- at least $135 million-- will fund public works grants for "brick and mortar" infrastructure projects, EDA also anticipates that it will fund a few investments to help create new, long-term comprehensive economic development strategies for regions that need to initiate a process to retool and diversify their economy following significant economic dislocations- such as manufacturing plant closures.

Implementation
Following the Recovery Act's passage, EDA worked quickly to adapt its existing grant programs to meet the Act's goals and requirements and to assure its intent. To date, the bureau has successfully implemented all of its established milestones and is on track to complete all future milestones on or ahead of schedule.

Within three weeks of the Act's passage, EDA published its Recovery Act funding synopsis, as well as a Federal Funding Opportunity Notice. The bureau also developed and implemented a comprehensive Recovery Act-specific Program Plan which identifies possible risks associated with the Act's implementation and proposes mitigation strategies. Additionally, in collaboration with the Department's Office of Inspector General (OIG), the bureau drafted special award conditions for "Buy America" and other provisions stipulated in the Act.

Bureau officials are also currently developing EDA-specific recipient reporting guidance based on the reporting requirements established by the Office of Management and Budget (OMB). In accordance with this guidance, EDA will be implementing a recipient outreach plan in which EDA Project Officers will personally confer with each EDA Recovery Act grant recipient to discuss the recipient's reporting obligations under the Act.

Oversight and Transparency

Prior to the Act's passage, EDA had in place well-established and highly effective application evaluation procedures and awards processes, as well as reporting and reconciliation practices, which the bureau has evaluated and amended to comply with all of the Act's additional reporting requirements. EDA continues to work closely with the Department's Recovery Act Coordinator and OIG to ensure compliance with all of the Act's specific requirements and OMB guidance. Additionally, EDA staff continues to participate in a variety of working groups and training programs provided by OIG, for example, training provided by OIG for EDA headquarters and regional office staff on fraud indicators.

EDA's longstanding policy and practice is that responsibility for the selection, oversight, and administration of all grant awards rests with its six regional offices. Accordingly, in May, EDA leadership held a meeting with all six regional directors and key regional staff to specifically discuss EDA's priorities, responsibilities, and requirements under the Act. Furthermore, regional field-based and headquarters staff involved in the grant-making process have received training on the Act.

In addition, EDA has developed a public webpage dedicated to the bureau's implementation of the Recovery Act available at www.eda.gov/Recovery. This site provides an unprecedented amount of information to the public about EDA's Recovery Act investments. Furthermore, all of the bureau's Recovery Act grants are posted at www.recovery.gov and www.usaspending.gov on a monthly basis.

Conclusion

Thank you for the opportunity to update the Committee on EDA's efforts in implementing the Recovery Act. At the request of the Committee, EDA has conferred regularly with Committee staff since the passage of the Act and has provided monthly updates on our progress. EDA hopes to continue this dialog and looks forward to further cooperation with the Committee to ensure the success of the Recovery Act.

Statement of C.W. "Bill" Ruth
United States Commissioner

International Boundary and Water Commission
United States and Mexico

Before the Committee on Transportation and Infrastructure
U.S. House of Representatives
July 31, 2009

Chairman Oberstar, Ranking Member Mica, and Members of the Committee, thank you for the opportunity to update you on the progress made by the U.S. Section of the International Boundary and Water Commission (USIBWC) toward implementation of the American Recovery and Reinvestment Act of 2009 (Recovery Act). We have made implementing the Recovery Act a top priority and are pleased to report that we are moving forward quickly, efficiently and with an unprecedented level of transparency and accountability. Through this process we are putting Americans to work along the U.S.-Mexico border repairing deficient flood control structures in Dona Ana County, New Mexico and in El Paso, Hudspeth and Hidalgo Counties in Texas.

The Recovery Act appropriated $220 million to USIBWC's construction account for the Rio Grande Flood Control project to fund immediate infrastructure upgrades along 506 miles of flood control levees maintained by the USIBWC along the Upper and Lower Rio Grande. Of that amount, up to $2 million may be transferred to our salaries and expenses account in support of this activity.

In 2002, the USIBWC began a multi-year project to rehabilitate deficiencies in the levee system, which constrains movement of the international boundary and provides flood protection to many New Mexico and Texas cities including Las Cruces, El Paso, Presidio, Mission, McAllen, Harlingen, and Brownsville. Levee segments lacking adequate height or that may be structurally deficient are being rebuilt in order of priority by risk to population, property and economic development.

The Recovery Act funding will allow rehabilitation of approximately 170 miles of deficient levees, including Rio Grande levees and levees in the interior floodways in the Lower Rio Grande Flood Control Project. In doing so, we will enhance the protection of lives and property of over two million border residents and achieve certification standards established by the Federal Emergency Management Agency (FEMA), thereby negating the need for residents to purchase costly flood insurance. Reducing the risk of flooding along the Upper and Lower Rio Grande by rehabilitating deficient portions of these levee systems will provide increased safety to border residents and to business communities and encourage future economic growth and development.

We have developed a comprehensive plan and an aggressive schedule for Recovery Act implementation, designed to fully obligate the Recovery Act funding no later than September 2010. We have prioritized levee segments in the Upper and Lower Rio Grande Valley for Recovery Act funding based upon greatest impact to the largest number of residents, the greatest economic benefit and the segments ready for FEMA certification. We undertook recruitment actions and hired additional term contract specialists and civil engineers.

We have continued to meet our scheduled milestones and expect to continue to do so until the construction phase is completed. Using Recovery Act funding, we initiated the procurement phase in March 2009. Within a month, we had issued 83% of the pre-construction contracts for outstanding environmental work, geo-technical analysis and design for levee segments to undergo rehabilitation with Recovery Act funding. We have now completed all of the Environmental Assessments required under the National Environmental Policy Act of 1972 and cultural resource surveys. Final cultural resource reports were received in June and July 2009 for the Lower and Upper regions, respectively, pursuant to the National Historic Preservation Act. Pending environmental requirements include obtaining two Section 404 permits from the U.S. Army Corp of Engineers.

As of July 24, we have obligated over $21.5 million and committed to award contracts valued at close to $3.7 million for pre-construction work, such as geo-technical analysis, aerial surveys and design. We awarded our first construction contract in the amount of $951,000 on July 24, 2009 for repair work on the Banker Floodway in Hidalgo County, Texas. We anticipate that the contractor will mobilize within 30 days and that construction on this segment will be completed by May 2010. We expect to continue to award construction contracts through the course of the summer and fall and plan to have all construction contracts awarded by the end of December 2009. All planned construction to be undertaken with Recovery Act funding is expected to be completed by February 2011.

As noted in my previous testimony, USIBWC's progress is being reported weekly on the Recovery web site, www.Recovery.gov, and on the Department of State Recovery web site, www.state.gov/recovery. Additional details on the scope of our project and our project schedule can be located at http://www.ibwc.state.gov/Recovery/Index.html. All contracting actions are being posted on http://www.fedbizops.com and are being reported in the Federal Procurement Data System (FPDS). We are also providing data to this Committee on a monthly basis. The public is encouraged to report instances of waste, fraud and abuse to the Department of State OIG hotline, which can be located on both the Department of State and USIBWC websites.

USIBWC is proud of the progress we have made to date and pleased to be contributing to this important effort to bring about economic recovery, while at the same time providing long-term public benefits and infrastructure improvements to the U.S.-Mexico border.

STATEMENT OF DAVE WHITE, CHIEF
NATURAL RESOURCES CONSERVATION SERVICE
U.S. DEPARTMENT OF AGRICULTURE
BEFORE THE
U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
July 31, 2009

Mr. Chairman, thank you for the opportunity to provide a progress report on the status of the American Recovery and Reinvestment Act (Recovery Act) funding administered by USDA's Natural Resources Conservation Service (NRCS). USDA's goal through the Recovery Act is to quickly respond to current economic conditions by preserving and creating high quality jobs, spurring rural economic activity, and contributing to the Nation's overall financial health. USDA will be open and transparent and responsive and accountable to the American people as we deliver Recovery Act funding.

The Recovery Act provided funding for three NRCS programs:

Watershed Rehabilitation Program	$ 50,000,000
Watershed and Flood Prevention Operations Program	$145,000,000
Floodplain Easements - Emergency Watershed Protection Program	$145,000,000

We have made significant strides toward committing funds for these programs and toward the Administration's objectives of economic recovery and job creation. Projects have already been selected for the Watershed and Flood Prevention Operations Program, the Watershed Rehabilitation Program and the Floodplain Easements Program

The NRCS programs funded through the Recovery Act will provide significant public and environmental benefits through the restoration of floodplains and investments in watershed improvements, including critical infrastructure. These benefits include reduced threats and damage from flooding; floodplains restored to natural conditions; erosion control; improved water quality; enhanced fish and wildlife habitat; and improved quality of life through expanded recreational opportunities and added community green space. Moreover, watershed rehabilitation projects will mitigate the risks of failure and threats to public safety posed by aging flood control infrastructure.

Following is a brief overview of the three NRCS programs that received Recovery Act funding.

Watershed Rehabilitation Program

Recovery Act Funding: $50,000,000

The objective of the Watershed Rehabilitation Program is to rehabilitate or decommission aging or unsafe dams owned and operated by sponsors that are ready and willing to begin rehabilitation. The authority for rehabilitation of aging watershed dams is included in section 14 of the Watershed Protection and Flood Prevention Act (Public Law (P.L.) 83-566). Any of the over 11,000 dams in 47 States that were constructed under the P.L.-534, P.L.-566, or Resource Conservation and Development (RC&D) program are eligible for assistance under this authority. Many of these dams are beyond or are nearing the end of their design life. Rehabilitation of these dams is needed to address critical public health and safety issues in these communities. Priority for funding projects was based on a ranking system that considered the condition of the dam and the number of people at risk, if the dam should fail. NRCS may provide financial assistance up to 65 percent of the total rehabilitation project cost.

Twenty-six projects in 11 States have been selected for Recovery Act funding. NRCS State offices are working to obligate these funds as quickly as possible. These "shovel ready" projects will help revitalize rural economies by creating jobs and supporting local businesses that supply products and services needed for construction. These projects will not only ensure that the flood control dams remain safe and protect lives, but will also continue to provide flood control, recreation, and wildlife habitat for decades to come. Here are a few examples of Watershed Rehabilitation Recovery Act projects.

$4.3 million in Recovery Act funding for projects along Pohick Creek in Fairfax, Virginia will result in the rehabilitation of two flood control structures. The dams will be upgraded to current safety standards and continue to provide protection for the nearly 112,000 vehicles that use four major roads downstream from the structure on a daily basis. The dams also provide protection to a number of railroad corridors with a daily average ridership of approximately 9,000 people. The local sponsor is providing $2.2 million for these projects.

Another $4.2 million in Recovery Act funding for a project in Adair County, Oklahoma will protect the water supply of the city of Stillwell, Oklahoma, as well as a rural water district. The local school district served by the project is 94 percent Native American and has a 21 percent poverty rate. The local sponsor is providing $2.1 million for this project.

At the end of this testimony is a list of 26 projects selected for Watershed Rehabilitation funding.

Watershed and Flood Prevention Operations Program (WFPO)

Recovery Act Funding: $145,000,000

This program provides assistance to sponsoring organizations of authorized watershed projects, planned and approved under the authority of the Watershed Protection and Flood Prevention Act of 1954 (P.L. 83-566), and designated watersheds authorized by the Flood Control Act of 1944 (P.L. 78-534). The NRCS provides technical and financial assistance to States, local governments and Tribes (as project sponsors) to implement authorized watershed project plans for the purpose of watershed protection; flood mitigation; water quality improvements; soil erosion reduction; rural, municipal and industrial water supply; irrigation water management; sediment control; fish and wildlife enhancement; and wetlands and wetland function creation, restoration and protection.

Recovery Act funds will be obligated on WFPO projects for completion of permit mitigation obligations or structural repairs, or for land treatment through the application of conservation practices. Recovery Act funds will also be used for new construction projects that are already authorized, are environmentally beneficial, and have sponsors that are ready and willing to begin work.

Priority for funding projects was based on NRCS's merit-based model which will be used to identify and select the most cost-effective and highest priority projects to meet the objectives of the program.

USDA Secretary Tom Vilsack announced the selection of 80 projects under the Recovery Act. Here are a few examples WFPO projects selected for funding through the Recovery Act: Approximately $300,000 for the Whitewater River Watershed land treatment project northeast of Rochester, Minnesota. This project will protect the soil resource base for sustained productivity and improve both surface and ground water quality. The watershed contains eight designated trout streams extending over 100 miles, two State parks, State Wildlife Management Areas, and a State operated fish hatchery. Also in Minnesota, southwest of Minneapolis, the Kanaranzi-Little Rock Watershed project will provide assistance to local farmers to install conservation practices that will reduce soil erosion and improve water quality.

Over $10 million for the Neshaminy Creek Watershed project outside Philadelphia, Pennsylvania. This funding will be used to acquire, elevate and flood-protect 80 homes and businesses currently located in the 100-year floodplain. This project will improve public health and safety by substantially reducing flood damage and enhancing 18 miles of stream corridor and floodplain function.

$2.5 million for the Beaver Creek Watershed project in El Paso County, Colorado will be used to develop 45 land-treatment contracts with family-owned farms, resulting in significant water quality improvement, water conservation, and the enhancement of wildlife habitat. Benefits will be obtained by implementing improved management strategies and more efficient irrigation system components used on cropland and adjacent properties. A significant number of producers in this watershed are considered socially disadvantaged or limited resource producers.

Floodplain Easements - Emergency Watershed Protection Program (FPE-EWPP)

Recovery Act Funding: $145,000,000

Section 382 of the Federal Agriculture Improvement and Reform Act of 1996, P.L.104-127, amended the Emergency Watershed Protection Program (EWPP) to provide for the purchase of floodplain easements as an emergency measure. Since 1996, NRCS has purchased floodplain easements on lands that qualify for EWPP assistance. NRCS purchases easements on floodplain lands and restores them to natural conditions.

Floodplain easements restore, protect, maintain, and enhance the functions of a floodplain; conserve natural values including fish and wildlife habitat, water quality, flood water retention, ground water recharge, and open space; reduce long-term federal disaster assistance; and safeguard lives and property from floods, drought, and the products of erosion.

Floodplains that have had flooding events twice in the last 10 years or once in the last 12 months are eligible for the program. Easement applications are ranked based on established National and State priorities. Landowners retain several rights to the property, including quiet enjoyment, the right to control public access, and the right to undeveloped recreational use such as hunting and fishing. NRCS currently holds 1,917 floodplain easements on 126,467 acres nationwide.

NRCS announced a nationwide sign-up for Floodplain Easements Recovery Act funding on March 9, 2009. The deadline was extended until April 10th, due to flooding. North Dakota and Minnesota deadlines were extended until May 1st to allow additional time because of on-going flooding events.

Over 4,200 applications for floodplain easements were received from forty seven States and Territories. States ranked their applications and then sent their ranking lists to National Headquarters. Applications were evaluated against merit-based ranking criteria and then funding recommendations were provided to the Chief. On June 2, 2009, Secretary Vilsack announced the selection of 288 applications for funding. These 288 applications cover more than 36,000 acres of land in 36 States. The Recovery act specifies that no single State may receive more than $30 million.

Transparency and Accountability

Accountability and transparency are cornerstones of NRCS's Recovery Act efforts. NRCS has automated systems which will track the amount of financial and technical assistance allocated for approved projects and progress toward project implementation and outcomes. Recovery Act goals and objectives will be integrated into the performance standards for NRCS line officers.

In addition, the Office of Inspector General has already initiated an audit for oversight of NRCS Recovery Act activities. The objectives of the audit are to ensure:

1. The Department's stimulus-related programs are timely and effectively implemented.
2. Proper internal control procedures are established.
3. Program participants meet eligibility guidelines.
4. Participants properly comply with program requirements; and
5. Agencies establish effective compliance operations.

NRCS has already made great strides in communicating the results of our Recovery Act activities to the general public. USDA Secretary Vilsack held telephone press conferences with approximately forty journalists on two separate occasions to announce the funding for Watershed Rehabilitation and WFPO. NRCS employees have cooperated with Congress on Recovery Act events in their States and districts. Project-specific fact sheets for each NRCS Recovery Act project are posted to our website at www.nrcs.usda.gov/recovery.

Summary

NRCS has moved quickly to identify meritorious and environmentally beneficial projects to commit the $340 million in Recovery Act funding provided for Watershed Rehabilitation, WFPO, and Floodplain Easements. NRCS has obligated over $51 million as of July 10th. NRCS understands that Congress and the public will hold the Federal government to the highest standard of accountability for Recovery Act funding. We are committed to expending these dollars in the most transparent and cost-conscious way possible.

House Committee on Transportation and Infrastructure
Smithsonian Institution
Dr. G. Wayne Clough, Secretary
P.O. Box 37012
Washington D.C. 20013-7012
202.633.5125
31 July 2009

Thank you for this opportunity to submit this statement for the record on the Smithsonian Institution's funding under the American Recovery and Reinvestment Act (Recovery Act) of 2009. The support of the Administration and the Congress is essential to our work, and we are grateful for that support.

Under the Recovery Act, the Smithsonian Institution has received an appropriation of $25 million for "Facilities Capital," which will be used for repair and revitalization of existing facilities. Our plan to spend this money wisely and in an expeditious manner is progressing as originally intended. By June 2009, there were 18 procurement actions totaling $18 million (more than 72% of the total funds appropriated under the Recovery Act). Another $4 million in contracts will be awarded by late summer 2009. Reporting of jobs created and correct expenditure of funds is a part of the Act and is currently underway with the first formal report in October 2009.

Today, the Smithsonian owns or leases hundreds of buildings and structures. Some of our buildings are new; the oldest is more than 150 years old; and more than half are over 25 years old. The Smithsonian is unique in both the architectural variety and functional diversity of its buildings. Our buildings support research, education, public programs, and exhibitions for millions of visitors. But many of these buildings are in need of repair. The Arts and Industries Building in Washington, D.C. is a good example of a beautiful, historic building that needs to be revitalized.

The Smithsonian is the largest museum and research complex in the world; it now has 19 museums and galleries, 20 libraries, numerous research centers, 32 education units, and the National Zoological Park. More than 25.2 million people from around the world visited us in 2008 and nearly 173 million virtual visitors went to our web sites. Our museums are free and open 364 days a year. The Smithsonian has unique collections: 137 million artifacts, works of art and scientific specimens. 127 million of these are scientific specimens that are used by Smithsonian researchers and scientists from Federal agencies and from around the world to explore important issues such as climate change and endangered species. The Institution is the steward of many of our nation's treasures, and objects that speak to our nation's bold vision, creativity, and courage: Edison's light bulb, Morse's telegraph, the Wright flyer, the Apollo 11 command module *Columbia*, Lewis and Clark's compass and Mark Twain's self-portrait. It is our task to preserve these treasures in a responsible manner so future generations can learn from them also.

Well maintained, safe and efficient facilities are essential for advancing the Smithsonian's mission. Building revitalization involves making major repairs or replacing declining or failed infrastructure to avoid additional deterioration. Once completed, these projects will improve the overall condition of Smithsonian buildings and systems, and will enable the Smithsonian to create safe conditions in these facilities for visitors, staff, animals, and our priceless national collections.

Smithsonian Projects

Below are the projects that are being accomplished with Recovery Act funds:

- Arts and Industries Building (AIB) — Washington, DC ($4.6 million)
    - Repair exterior masonry
    - Demolish selected portions of interior and remove hazardous materials
- National Zoological Park ($11.4 million)
    - Install fire-protection equipment (including medium-voltage switches) at Rock Creek Park campus (Washington, DC) and Conservation and Research Center (Front Royal, Virginia)
    - Replace roofs at Rock Creek Park campus and Conservation and Research Center
    - Replace deteriorated animal-holding facilities at Conservation and Research Center
    - Repair bridges at Rock Creek Park campus
- Other Smithsonian Projects ($9 million)
    - Install high-voltage electrical safety improvements at multiple locations on the National Mall (Washington, DC)
    - Install sewage backflow preventers on potable water lines at multiple locations off the National Mall; biggest project is at the Museum Support Center (Suitland, Maryland)
    - Install emergency generators at the Smithsonian Environmental Research Center (Edgewater, Maryland)
    - Refurbish or replace elevators and escalators at the National Air and Space Museum and National Museum of American History (Washington, DC)
    - Hire temporary/contract support personnel

As of this date, we have awarded 10 of the 11 projects (18 separate contract actions) totaling $18 million. The majority of the proposals received were below the government estimate and the remaining funds will be reallocated toward additional options on the projects. We are in the process of procuring the options and expect to award all contracts prior to September 30, 2009.

Ongoing Key Events and Major Completed Actions

- Holding senior-level monthly meetings to discuss progress on Recovery Act projects with facilities, contracting, budget, and IG officials

- Posting weekly project progress list (public notices, requests for proposals, awards) on the SI webpage

- Submitting weekly obligation and outlay reports on Recovery Act projects to OMB (which are then posted on Recovery.gov) and posting on the SI webpage

- Established draft job creation reporting format and process with contractors in preparation of October 2009 formal report

Smithsonian Review of Recovery Act Projects

The Institution is tracking the progress on these projects with monthly meetings and weekly updates. These meetings include representatives from facilities, contracting, budget, and the Inspector General's office. These monthly meetings are held with the leadership of the Institution to review the progress on each project; identify any risks or issues; and review the actions taken to correct any deficiencies.

Details on the progress of each project can be found on the Smithsonian's Recovery Act website at: http://www.smithsonian.org/recovery. The progress chart tracks: 1) the posting of pre-award notices on www.fedbizopps.gov; 2) the posting of Requests for Proposals (RFPs); 3) the RFP due dates; 4) contract award dates; 5) project obligations; 6) project expenses; and 7) percentage of project complete. The Institution evaluates progress by tracking whether the project is on schedule and within the estimated cost projections. Contractors will provide periodic (generally monthly) progress reports which will be used by the Institution program managers to validate and assess the contractor's performance. In addition to tracking the above major milestones for each project, the Institution is also tracking:

- Percent of actual obligations as compared to the plan
- Percent of Recovery Act revitalization projects completed
- Manpower and Job Creation for each project

Financial, Contracting, and Environmental Information on Projects

The Institution developed a detailed obligation and expense plan for each project. The Institution's financial system provides the actual expenditures (obligations and outlays) and these data are used to track the progress against the plan. Monthly updates are presented to the Institution's Recovery Act working group and to the Institution's senior leadership. The data are also posted on the Institution's website at: http://www.smithsonian.org/recovery. The Smithsonian is on track to obligate more than 85 percent of the ARRA funds and award all contracts by September 30, 2009. Below is a summary of the Institution's obligation and expense plan.

Updated American Recovery Act Obligation and Expense Plan

TAF	Appropriated ($millions)	Allocation ($millions)			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Smithsonian Facilities Capital 33-0101	$25	$25	OBLIGATIONS	2009				4	4	18	19	21	22	22	22	22
			OUTLAYS	2009						1	2	3	4	6	8	10
			OBLIGATIONS	2010	22	23	23	23	24	24	25	25	25	25	25	25
			OUTLAYS	2010	12	14	15	16	18	19	20	21	22	23	24	25

The Institution has maximized competition wherever practical for Recovery Act-funded contracts. The Smithsonian projects that 85% of anticipated Recovery Act dollars will be competitively awarded. This percentage is based on estimated costs of each Recovery Act project. The Institution has also maximized the use of fixed-priced contracts wherever practical for Recovery Fund-funded contracts. The Smithsonian projects that 96% of anticipated Recovery Act dollars will be awarded as fixed-price contracts. This percentage is based on estimated costs of each Recovery Act project.

The Institution will also meet the energy efficiency and green building requirements of the Recovery Act. All of the projects on the Recovery Act list are deemed to have some aspect of increased energy efficiency or other sustainability in their scope of work. For example, the Arts and Industries Building projects, although mainly exterior masonry repairs and hazardous material removal, are the precursors to the sustainability efforts of insulated roof, walls, windows, and replacement of all failing mechanical/electrical utilities with more energy-efficient equipment. Every Zoo project (e.g., work to replace deteriorated facilities and repair roads and bridges) includes some form of storm drainage, high-reflectance, or high-efficiency electrical replacement that is sustainable. The other sustainable projects will increase safety and concentrate on areas such as conserving and ensuring a clean domestic water supply, providing more energy-efficient vertical transportation, and giving the Institution access to a more efficient back-up power source at a lower cost.

In sum, the Smithsonian is using Recovery Act resources to focus on facilities revitalization projects to improve the safety and security of our buildings and collections, and thus enhance our service to the American people.

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