DEPARTMENTS OF TRANSPORTATION, AND HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS FOR 2011

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

ONE HUNDRED ELEVENTH CONGRESS

SECOND SESSION

SUBCOMMITTEE ON THE DEPARTMENTS OF TRANSPORTATION, AND HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS

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NOTE: Under Committee Rules, Mr. Obey, as Chairman of the Full Committee, and Mr. Lewis, as Ranking Minority Member of the Full Committee, are authorized to sit as Members of all Subcommittees.

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PART 4

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PART 4—TRANSPORTATION, AND HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES FOR 2011

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DEPARTMENTS OF TRANSPORTATION, AND HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS FOR 2011

WEDNESDAY, FEBRUARY 3, 2010.

INVESTMENTS IN TRANSPORTATION IMPROVEMENTS: THE FISCAL YEAR 2011 BUDGET REQUEST FOR THE DEPARTMENT OF TRANSPORTATION

WITNESSES

HON. RAY LAHOOD, SECRETARY, DEPARTMENT OF TRANSPORTATION
CHRISTOPHER BERTRAM, ASSISTANT SECRETARY FOR BUDGET AND PROGRAMS AND CHIEF FINANCIAL OFFICER, DEPARTMENT OF TRANSPORTATION

CHAIRMAN OLVER'S OPENING REMARKS

Mr. OLVER. The appointed time having got past us slightly, the hearing will be in order.

We have as our guest today Cabinet Secretary Ray LaHood from the Department of Transportation.

Welcome, Mr. Secretary.

Secretary LAHOOD. Thank you.

Mr. OLVER. Welcome to the subcommittee. You have known of the committee's workings before. We are very happy to have you back again.

I want to thank you for coming before us to explain the President's 2011 budget submission and the request from the Department of Transportation. You have been on the job now just over a year, and nearly your entire leadership team is in place. During this time, the Department has taken a number of successful steps forward to transform and modernize the transportation system. In particular, the Recovery Act provided you with an opportunity to rebuild faltering infrastructure and to lay the foundation for transformative new initiatives and to create tens of thousands of new jobs.

However, this transformation has been hindered by some of the same complications that we faced last year; namely, a lack of progress on the long-term surface and aviation authorizations and the continued insolvency of the Highway Trust Fund.

It is my understanding that the Department embarked on a surface transportation reauthorization outreach tour as a first step in developing the administration's reauthorization proposals. Given the national and long-term impacts and changes the authorization and financing structure will have, I believe the administration must exert great leadership in this area, and I will look forward to seeing the product of your tour.

The President's budget has two important and complex goals; namely, reducing our national debt and sustaining an environment for continued economic growth that produces good-paying jobs for the American people. The subcommittee's challenge will be to produce a bill that is fiscally responsible and yet doesn't stifle the momentum that was created from the critically important infrastructure investments that were made last year and that will continue to be made this year.

The 2011 budget proposal before us requests a total of $78 billion, roughly. I hope that is the largest difference we have—I think your testimony suggests it is $79 billion, but we will not quibble about the one—for the agencies and programs within the Department of Transportation. That includes a modest increase of roughly $2 billion, a 2½ percent increase from fiscal year 2010.

The Department of Transportation's budget request proposes some significant new initiatives. In particular, I am very pleased to see the inclusion of $527 million for the Livable Communities Initiative. As you and Secretary Donovan testified before this subcommittee last year, transportation and housing are inextricably linked but for too long have been treated as separate spheres.

I look forward to hearing more about the Department's plans to improve coordination with EPA and HUD and, as importantly, within DOT's own agencies; namely, Federal Highway and Federal Transit.

Additionally, I am interested to hear more details about the $4 billion National Infrastructure Innovation and Finance Fund, which appears to be a hybrid between the infrastructure bank proposal from last year and the TIGER grant application program, which was established in the Recovery Act. The demand for TIGER grants has emphasized the immense need for transportation investments that improve the movement of passengers and freight among multiple transportation modes.

Within aviation, I am pleased that the budget request continues the administration's commitment to the FAA's Next Generation Air Transportation System, better simply known as NextGen. This program is vital to our efforts to accommodate growth in air traffic and to reduce delays by increasing the efficiency of the management of our air space.

Finally, the Department must remain vigilant when it comes to the agency's core safety mission. The last time highway fatalities dropped below 40,000 was in 1992, which coincides with the last time this country faced a serious economic crisis. However, as the country's economy started to recover in the mid to late 1990s, Americans returned to their vehicles, and we saw significant growth in vehicle miles traveled, and unfortunately, we also saw a steady year-by-year increase in the number of highway fatalities. Today, the latest figures from NHTSA show that highway fatalities in 2008 were slightly above 37,000, which is the lowest level since 1961.

Americans are driving less during our current economic downturn. As the economy recovers and people travel more, DOT will need to remain focused on continued safety improvements across our transportation network. In particular, the recent transit tragedies here in the Washington area and in other parts of the country certainly underscore the need for Federal oversight and minimum safety standards.

Mr. Secretary, we all know that we are entering a tough budget year. The fact remains that our infrastructure needs are great. Many roads, bridges, and airports require basic repair and maintenance. Many communities are stifled by congestion and are in need of additional highway and transit capacity, and we must continue to support alternative solutions, such as high-speed rail, that have the potential to transform transportation networks.

Last year, I expressed my sincere hope that, under your leadership, we could break out of the historical practice of transportation silos and focus on comprehensive approaches that reduce congestion, improve mobility, increase affordability, and reduce environmental impacts through safe and efficient transportation system. In the last year, you have taken significant steps in that direction. I look forward to working with you to maintain that progress through the fiscal 2011 budget.

Now, before you have your chance, I will turn this over to my ranking member, Mr. Latham from Iowa.

RANKING MEMBER LATHAM'S OPENING REMARKS

Mr. LATHAM. Thank you very much, Mr. Chairman. I look forward to the hearings this year. We have got a lot of work to do, obviously.

Mr. Secretary, welcome on this very snowy day. It is also a pleasure to see you here at the subcommittee. I am going to keep my remarks to a minimum because we have a mere 2 hours to cover the $79 billion you have requested for fiscal year 2011 and to inquire about plans for the almost $76 billion you received just a few weeks ago. The fiscal year 2010 provides some oversight on the $67 billion that the Department received in fiscal year 2009, plus about $48 billion received under the stimulus bill. That is about $270 billion, or $2.25 billion per minute. So I guess we had better talk fast and get underway as far as to doing some oversight.

So, last year, we were facing bankruptcy in the Highway Trust Fund, a lack of authorizations for the surface and aviation programs and a bleak economic and employment situation across the country. We seem to have a bit of deja vu as we have all the same obstacles, and now we have a disturbing level of national debt which we are all concerned about. I think we were all hoping that some of the issues were going to be resolved last year. Our States do not need another short-term repaving, heavy, quote, "stimulus bill," and these short-term extensions do not allow States to do the planning and executing of the need for a real highway construction and maintenance program.

I think we need a real bill. I think it would be helpful, and it would get the ball rolling if the administration would put forth a bill on paper to bring forth to the Congress. I do not think we really need more listening sessions. We have all heard from our constituents at home and in the States.

So as we embark on a new budget cycle, we look forward to working with you and the Department. I have had the pleasure of meeting with a number of your administrators and assistant secretaries, which I appreciate very, very much, and I am sure we will be able to have a good dialogue and will be able to resolve many of these issues.

Because we have such a short time with you today and a lot of ground to cover—I know the chairman is working on a schedule on a number of different topics this year—I would like to make sure, and maybe have a commitment from you, that we have the appropriate person from the Department as witnesses as we look at these different proposals that are out there so that we can do our homework. If we get that commitment from you, I think it is very important to do the kind of oversight that we need.

Secretary LAHOOD. You have it.

Mr. LATHAM. So with that, thank you very much, my good friend, Mr. LaHood.

I yield back, Mr. Chairman.

Mr. OLVER. Thank you, Mr. Latham.

Mr. Secretary, the floor is yours. As usual, your complete written statement will go into the record, but the floor is yours.

MR. LAHOOD'S OPENING STATEMENT

Secretary LAHOOD. Thank you, Mr. Chairman.

I am delighted to be joined here by the assistant secretary for budgets and chief financial officer, Chris Bertram. Chris has worked very hard with OMB in putting our budget together.

I am delighted to be here, and I thank you for the opportunity to discuss the fiscal year 2011 budget request.

I have traveled to more than 30 States, 65 cities last year, and I have seen firsthand how much our citizens depend on a safe, modern, and reliable transportation system to access jobs, health care, and other essential services.

The President's request for this year totaled $79 billion, a $2 billion increase over fiscal year 2010 levels. These resources will support the President's and DOT's top transportation priorities for safety on the roads and in the air, making communities livable and sustainable and modernizing our infrastructure. Safety is our number one priority at DOT.

Our leadership campaigns against the perils of distracted driving, which kills thousands of Americans every year. It has been very effective. It is critical we continue to lead the charge. That is why we are seeking $50 million for the National Highway Traffic Safety Administration to develop an incentive-based grant program, encouraging more States to pass laws prohibiting the unsafe use of phones and texting while driving. The President is also asking for 66 additional personnel assigned to the highway and vehicle safety issues at NHTSA.

In the area of transit safety, we are seeking $30 million to establish a new transit safety oversight program within the Federal Transit Administration. This program will carry out a comprehensive safety oversight strategy by establishing common safety standards nationwide, as envisioned in the administration's transit safety bill. This is an important step forward for rail transit and industry, which has suffered recent accidents in Washington, D.C., Boston and San Francisco. This is unacceptable, and we must put strong remedies in place as soon as possible. I am urging Congress to pass this legislation this year. Transportation must not only be safe but also contribute to livable and sustainable communities.

Chairman Olver, Mr. Latham, and committee members, thanks for your leadership and this committee's focus on livable communities over the years.

The President's plan provides record level investments to make our communities more livable. Specifically, we are seeking $527 million for livable communities, which will help us build on the tremendous successes we have achieved through our sustainable partnerships with HUD and EPA. Together, we are helping States and local governments make smarter investments in their transportation, energy, and housing infrastructure with better outcomes for our citizens. Our groundbreaking infrastructure in high-speed passenger rail, which has generated tremendous excitement around the country, will go a long way to enhance livability in many communities. Our budget seeks $1 billion to continue the $5 billion 5-year pledge Congress made in this year's budget.

I want to thank you, Mr. Chairman, Mr. Latham and the committee, for your commitment and leadership on high-speed rail so far. The $2.5 billion your committee provided the Department for high-speed rail grants last year, combined with $8 billion, which we announced last week, brings us closer to ushering in a new era for passenger rail service in this country.

Going forward, we must find new ways to finance infrastructure. We have requested $4 billion to establish a new infrastructure innovation finance fund. These first-year funds would be used to invest in multi-modal transportation projects of regional and national significance. Our cross-cutting, outcomes-based approach to funding will enable us to move away from the silo mentality that has long hindered our ability to respond to local and regional needs.

On reauthorization, the President proposes to continue current spending levels with $42.1 billion for highways and bridges and $10.8 billion for transit. This request includes $150 million to enable the Washington Metropolitan Area Transit Authority to address much needed safety-related infrastructure improvements.

Turning to aviation, the President's plan includes $1 billion for NextGen, the program to modernize our air traffic control system. That is a $275 million, or a 32 percent, increase over fiscal 2010 levels. These funds are essential for transitioning from a ground-based radar surveillance system to more accurate satellite-based system. This system is already in use in the Gulf of Mexico, and we look forward to building on our success in this area.

Finally, we are seeking $30 million to make more long-term, long overdue investments/improvements in the U.S. Merchant Marine Academy. This has been a goal of mine from the very beginning. I want to make the Merchant Marine Academy the jewel that the other academies are. We have wonderful, wonderful students there, over 900. They work very hard, and we want to make sure the facilities are there for them to accomplish their academic goals. We just completed a blue ribbon report, which we will be happy to give to the committee. The report outlines in great detail the infrastructure improvements that are needed at the Merchant Marine Academy.

I look forward to your questions.

[The statement of Secretary LaHood follows:]

STATEMENT OF

THE HONORABLE RAY LAHOOD

SECRETARY OF TRANSPORTATION

BEFORE THE

COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEE ON TRANSPORTATION, HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES

UNITED STATES HOUSE OF REPRESENTATIVES

February 3, 2010

Introduction

Chairman Olver, Ranking Member Latham and Members of the Subcommittee, thank you for the opportunity to appear before you today to discuss the Administration's fiscal year (FY) 2011 budget request for the U.S. Department of Transportation. In my first year as Transportation Secretary, I have travelled throughout the country and I know first-hand how important a safe and reliable transportation system is to all Americans. The President's request totals $79 billion, a nearly $2 billion increase over FY 2010 levels. These resources will support the President's top transportation priorities: improving transportation safety, investing for the future, and promoting livable communities.

Highway Safety

Safety is and will continue to be our top priority. The budget contains a number of new initiatives to increase road, transit, and aviation safety. One of the most serious issues facing drivers today is distracted driving. We must end the dangerous practice of unsafe cell phone use or texting while driving. Too many lives have been lost already due to distracted driving. Working together, I believe that we can stop this dangerous practice -- and save lives. The President's Budget requests $50 million for the National Highway Traffic Safety Administration's (NHTSA) for a new incentive grant program to promote State laws to curtail unsafe cell phone use and eliminate texting while driving. Today, our children don't think twice when they "buckle up" – and our goal is that tomorrow, our future generations won't think twice about putting down their cell phone so that they can drive safely. This new program will work alongside NHTSA's other highway safety programs in making our highways safer for everyone. The President is also asking for funds to support 66 additional personnel for NHTSA to be assigned to highway and vehicle safety issues, and $7 million for the Federal Motor Carrier Safety Administration for 118 new truck safety personnel.

Rail Transit Safety

The President's request also includes resources to address rail transit safety. While rail transit is safe, we must take substantive steps now to make it even safer for the future. We are all well aware that rail transit has the potential for catastrophic accidents resulting in multiple injuries, considerable property damage, and heightened public concern. Following the recent tragic accidents in Washington DC, Boston, and San Francisco, it is clear that we need to strengthen the safety oversight of transit rail operations. Our budget requests $30 million to establish a new transit safety oversight program within the Federal Transit Administration. This program will implement a comprehensive safety oversight strategy, as proposed in the Administration's transit safety bill, to establish common safety standards nationwide and to ensure the safety of our nation's transit riders.

Investing in Transportation Infrastructure

As we continue to focus on improving transportation safety, we must also rethink the way we invest in our future transportation infrastructure. That is why the President's plan includes $4 billion to establish the new National Infrastructure Innovation and Finance Fund (NIIFF). This is the first year of a 5-year plan to capitalize the fund with $25 billion. This Fund will invest in projects of regional or national significance, and marks an important departure from the Federal Government's traditional way of spending on infrastructure through mode-specific grants.

Instead, NIIFF will directly provide resources for projects through grants or loans, or a blend of both, enabling us to effectively leverage non-federal resources, including private capital. The projects funded under the NIIFF will be based on demonstrable merit and analytical measures of performance. Only the most worthwhile projects from around the nation will be selected. Projects eligible for funding from the NIIFF consist of multi-modal projects that include highway, transit, rail, aviation, ports and maritime components. This marks a bold new way of thinking about investments in our transportation infrastructure and will become a key component of the Administration's future surface transportation proposal.

The reauthorization of the Nation's surface transportation programs is complex and has critical long-range implications for the future. While the President and the Congress continue to work on a long-term strategy for surface transportation, the President's plan continues the current levels of spending: $42.1 billion is proposed for highways and bridges and $10.8 billion for transit. Within this funding, $1.8 billion is included for "New Starts" and "Small Starts", and $150 million to enable the Washington

Metropolitan Area Transit Authority to focus on badly needed safety-related infrastructure improvements. Reauthorization is a challenging issue facing our nation and I look forward to working with the Congress to design a new Federal surface transportation program that leads to higher performing investments, increases transportation options, and promotes a sustainable environment.

Livability

Chairman Olver, thanks to your leadership and this Committee's focus on livable communities over the years, the President's plan also provides a record investment to make our communities more livable. Our budget request allocates over $500 million toward investments that support the President's multi-agency Partnership for Sustainable Communities. We have joined with the Department of Housing and Urban Development and the Environmental Protection Agency to stimulate comprehensive regional and community planning efforts that integrate transportation, housing, energy and other critical investments. Together, we will help state and local governments make smarter investments in their transportation infrastructure, to better leverage that investment and advance sustainable development.

NextGen

The future of aviation is in our hands. The President's FY 2011 plan includes over $1 billion – an increase of $275 million over the fiscal year 2010 levels – for "NextGen" -- the program to modernize the air traffic control system. Currently, the Federal Aviation Administration is undertaking a long-term effort to improve the efficiency, safety, and capacity of the aviation system. But while we are talking about the future of aviation, I'm pleased to report that it's happening now. The funds requested under the fiscal year 2011 budget request will support the transformation from a national ground-based radar surveillance system to a more accurate, satellite-based surveillance system. This system is already being used in the Gulf of Mexico, which is improving the safety and accuracy of air traffic services in the Gulf. We will be building on the successes of our research and development, to improve capacity to the flying public. We will be developing more efficient routes through the airspaces, and improving aviation weather information. As always, as we launch these critical new applications, we will continue to keep our strong focus on safety. Under my budget request, our vision of a modernized air traffic control system is becoming a reality.

High Speed Rail

The budget also continues President Obama's vision to better connect communities with a new, high-speed rail network. The budget includes an additional $1 billion for High Speed Rail. This request builds on the historic $8 billion down payment provided through the Recovery Act, and continues the five year, $5 billion pledge made in the fiscal year 2010 budget. The $2.5 billion your Committee provided the Department for high speed rail grants last year along with our recent announcements of the first awards of the High Speed Rail Program will put us one step closer to making High Speed Rail a reality.

This is an exciting time for the nation. Looking ahead, high-speed rail will one day provide the traveling public with a practical alternative to flying or driving, particularly in highly congested areas. With trains efficiently connecting city and business centers, travelers will enjoy a new level of convenience not available in many parts of the country today.

Conclusion

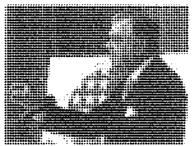
Finally, I am proud of the proposed investments the President's budget makes in the U.S. Merchant Marine Academy -- one of our Nation's five service academies. I have visited the young men and women at Kings Point, and I'm greatly concerned about the conditions of their facilities. They are old and badly in need of basic repair. The President's plan includes $26 million to make long overdue capital improvements that will help ensure midshipmen have a positive learning environment.

Thank you for the opportunity to appear before you to present the President's FY 2011 budget proposal for the Department of Transportation. This plan supports our Nation's key transportation priorities, and makes investments that will benefit all for years to come. I look forward to working with the Congress to ensure the success of our newest initiatives.

I will be happy to respond to your questions.

# # #

Ray LaHood - Secretary of Transportation



Ray LaHood became the 16th Secretary of Transportation on January 23, 2009.

In nominating him, President-elect Obama said, "Few understand our infrastructure challenge better than the outstanding public servant that I'm asking to lead the Department of Transportation."

Secretary LaHood's primary goals in implementing President Obama's priorities for transportation include safety across all modes, restoring economic health and creating jobs, sustainability – shaping the economy of the coming decades by building new transportation infrastructure, and assuring that transportation policies focus on people who use the transportation system and their communities.

As Secretary of Transportation, LaHood leads an agency with more than 55,000 employees and a $70 billion budget that oversees air, maritime and surface transportation missions.

Secretary LaHood said he would bring President-elect Obama's priorities to the Department and see them effectively implemented with a commitment to fairness across regional and party lines and between people who come to the issues with different perspectives.

Before becoming Secretary of Transportation, LaHood served for 14 years in the U.S. House of Representatives from the 18th District of Illinois (from 1995-2009). During that time he served on the House Transportation and Infrastructure Committee and, after that, on the House Appropriations Committee. Prior to his election to the House, he served as Chief of Staff to U.S. Congressman Robert Michel, whom he succeeded in representing the 18th District, and as District Administrative Assistant to Congressman Thomas Railsback. He also served in the Illinois State Legislature.

Before his career in government, Secretary LaHood was a junior high school teacher, having received his degree from Bradley University in Peoria, Illinois. He was also director of the Rock Island County Youth Services Bureau and Chief planner for the Bi-States Metropolitan Planning Commission in Illinois.

LaHood and his wife, Kathy, have four children (Darin, Amy, Sam, and Sara) and nine grandchildren

LIVABLE COMMUNITIES

Mr. OLVER. Thank you, Mr. Secretary.

We will follow the procedure of each of us, in turn, having 5 minutes per round of questioning. Hopefully, in the 2 hours, now an hour and 40 minutes, we will be able to do at least a couple of rounds right down the line.

So with that, Mr. Secretary, your budget request includes, as I have mentioned and you have reiterated, $527 million for the Livable Communities program to support initiatives that increase transportation choice and that integrate housing and land use into transportation decisions. I am pleased to see that you are working closely with HUD and with the EPA and others, I understand at least. Maybe you can say more about this effort.

I am curious. What actually is your concept of how the $527 million that you are asking for here, which is a new item, an important item—how that is to be deployed over the period of the fiscal year for which we are working?

Secretary LAHOOD. Well, since last year, we have had a working group within the three agencies of staff that has worked together to develop plans for the use of this money. We also have traveled around the country, and have looked at places in the country where governors and mayors have put together plans for not only livable communities but livable neighborhoods.

When I was in Congresswoman Roybal-Allard's area, I saw the kind of transportation system that goes through neighborhoods from downtown Los Angeles and connects people to grocery stores, drug stores, and good housing. That is the kind of approach that we are really looking at in terms of where people want to live. Some people may want to bike to work. When I was in Portland, Oregon, I drove to the streetcar event. I saw over 100 people biking to work that day.

Look, there are all forms of transportation that Americans are considering in order to get out of their cars. We know people are always going to have cars. We know they are always going to want to use their automobiles, but we also know that people want to get out of congestion. They want different forms of transportation, whether it is bus, light rail, walking, biking paths, or other opportunities. So, we are working with HUD to make sure that there is housing availability.

We were in Dubuque, Iowa, and saw what they were doing in the millworks area. They had an area of downtown where IBM decided to come in with 1,500 new employees, take over an old downtown department store, and relocate these 1,500 employees. The mayor and the community leaders decided to take this old millwork area and completely redevelop it. They are going to need some transit. They are going to need some forms of transportation. Some people will be able to walk to work.

These are the kinds of innovative approaches, combining our resources with HUD, with EPA, that will really create the kind of neighborhoods and communities where people can attract business, attract jobs, and create the kind of housing stock and transportation forms that people really want.

Mr. OLVER. Do you anticipate a joint NOFA for the funds here from the three departments which have a role in this initiative?

Secretary LAHOOD. Yes. I think we will begin looking at things that have worked around the country and then make similar opportunities available for communities that want to attract new jobs, attract new business, and really create different forms of transportation.

Mr. OLVER. I have to comment, Mr. Secretary, on your finding of the 100 bicyclists that you saw. There were probably a few thousand using bicycles in the Portland area. If you go to Copenhagen—some people here may have been to Copenhagen very recently. Mine was a little longer ago. I very carefully checked into how they were dealing with their complex transportation system in that roughly 2 million metropolitan area. About a half a million come in by bicycles. About a half a million come in by cars in their daily use. About a half a million come in by bus and subway types—light rail and rail systems. So there are ways that this can work very, very well.

Secretary LAHOOD. Right.

Mr. OLVER. We have very clear examples.

Secretary LAHOOD. Let me just say that when I was in Detroit with Congresswoman Kilpatrick we had a meeting with a number of her stakeholders. They want to get into this idea of creating more options with transit and bus, and so forth. They have just elected a new mayor there, and thanks to Ms. Kilpatrick's leadership, again, our livable community will fit into the kind of things that your folks have been talking about there.

Mr. OLVER. Thank you, Mr. Secretary.

Mr. Latham.

TOYOTA RECALL RESPONSE

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

One issue that has come before us, obviously recently, is the situation with Toyota. I just am curious if you could tell us what the Department is doing, NHTSA.

Are you equipped to investigate and to find out what happened? Is there a computer problem or do we know exactly what is going on?

Secretary LAHOOD. We know, as a result of our investigation, that Toyota now has determined the fix for the pedal problem that has caused the uncontrolled acceleration, but we also had complaints about the electronics. We will be investigating the electronic components that are in these cars to make sure that they are safe. If they are not, we will have Toyota begin to take a look at that, and so—we are in discussions with Toyota every day about these safety issues with their automobiles.

The reason they are where they are today is because of our investigations and our meetings with them. The fact that our acting NHTSA Administrator went to Japan and met with the Toyota officials and told them, in no uncertain terms: You need to get on this. You have got a problem. You need to fix it. Find the fix.

As a result of that meeting, they have begun to take seriously the fact that they have some serious problems. They believe they have found the fix. It is not up to NHTSA to tell them that they have found it. It is up to us to tell them if we think that their solution is not correct. Now we will be doing investigations and studying the electronic part of it.

Let me tell you why we do this. Every year NHTSA gets 30,000 complaints, and what we do is we categorize them. We look at them carefully. We have had some complaints about the electronics in these automobiles, and that is the reason that we are going to look into it.

Mr. LATHAM. Are you getting full cooperation from Toyota?

Secretary LAHOOD. Absolutely.

Mr. LATHAM. Okay. Is there any recommendation from the Department or something—we are both from the Midwest.

Secretary LAHOOD. Right.

Mr. LATHAM. You know, as you get on slick roads or whatever, your car starts pulling through on ice whenever you slip it into neutral. I mean is there any kind of discussion about putting out some—if someone gets into a situation where the pedal does stick that just putting it in neutral and maybe applying the brakes would—you know, why can't we publicly tell people how to respond if they get into a situation?

Secretary LAHOOD. Yes. I think that guidance has been put out. I have seen that where they have recommended that or to disengage the engine.

Mr. LATHAM. Then you might lose your braking power if you turn the engine off.

Secretary LAHOOD. We need to fix the problem so people do not have to worry about disengaging the engine or slamming their brakes or putting it in neutral. That is really our goal.

Mr. LATHAM. No. I agree.

Secretary LAHOOD. My advice is, if anybody owns one of these vehicles, stop driving it. Take it to the Toyota dealer, because they believe they have the fix for it.

Mr. LATHAM. Okay. I appreciate it, and we will follow up with you on that, obviously. It is a tremendous safety issue for some folks.

Getting back to the reauthorization, the current surface program expires on February 28. That is 17 business days and about 10 legislative business days from now. Is there a plan within the administration for an extension?

HIGHWAY TRUST FUND

Secretary LAHOOD. We continue to ask Congress to pass an 18-month extension. We are prepared to find the money for that, and we believe that that gives us the time to work with Congress. We think the $48 billion that we had starting a year ago has been well spent. It has put thousands of people to work. It has resurfaced roads and bridges. We are encouraging, and the President, obviously, encouraged in the State of the Union for the Congress to pass a jobs bill.

It is not that the President does not want a robust, comprehensive transportation bill. It is trying to find the $400 billion to $500 billion to pay for it. That is the dilemma. I talk to Chairman Oberstar about this at least once a week. The 18 months really gives us the time to do that. As we finish out this portion of our economic recovery, and if the Congress passes another jobs bill, we will have an opportunity to continue to make progress on these projects around the country.

Mr. LATHAM. I mentioned in my opening statement about—is the administration going to put a bill forward to discuss—I know, last year, quote, the "discussion" was going on just about every day at the White House that this is on the people's agenda. There was a real urgency. Obviously, we are not there yet. Is there going to be a proposal from the administration?

Secretary LAHOOD. Well, we are working on some principles, and we will continue to work with the T&I Committee on these principles. We are not in much disagreement with what the chairman has written.

Mr. LATHAM. Apparently, my time is up. Thank you very much.

Secretary LAHOOD. Thank you.

NEW STARTS PROGRAM

Mr. OLVER. We will proceed in the order that members of the subcommittee came into the hearing room.

So, with that, Mr. Price.

Mr. PRICE. Thank you, Mr. Chairman.

Mr. Secretary, let me add my word of welcome. We are all scrutinizing the budget you sent up, and a couple of things caught my attention right away, very favorably.

The Department's continued commitment to livable communities and high-speed rail development. Robust requests in these two areas represent sound investments, I think. I appreciate your leadership in prioritizing these items, particularly given the constrained fiscal environment in which we are operating.

As you well know, the high-speed rail request builds upon the funding that the President requested and that Congress provided in the Recovery Act. Believe me, I was pleased to welcome our EPA Administrator, Lisa Jackson, to Durham, North Carolina last week to announce a major Recovery Act award to North Carolina for further work on the Raleigh to Charlotte leg of the southeast high-speed rail corridor. We have been laying the groundwork for this for about 20 years, ever since the corridor was designated in ISTEA, but it has been slow progress. It is kind of one grade crossing at a time, it has seemed. So there really has not been a substantial Federal revenue stream.

We have now changed that, and we feel like our own investments, our efforts in building up this route, have been rewarded. We are well-positioned now to make use of the Federal funds to finish the job, basically to get that Raleigh to Charlotte corridor where it needs to be, at 90 mile-an-hour speeds, something just over 2 hours of travel time between those two points. So we look forward to making this a reality.

In the time I have here, let me turn to another item, which is the New Starts program. This is another area where you have brought vision and perspective to the Department. I was happy to see the announcement last week that the Department would alter criteria the previous administration had applied to this program. It would alter the criteria, broaden the criteria, that are used to evaluate new starts and small starts of transit projects.

Rather than emphasizing only those projects that meet a limited cost-effectiveness or meet a minimum requirement for decreased vehicle miles traveled or increased ridership, the Department will instead put greater emphasis on other criteria, such as land use, environmental benefits, and economic development more broadly.

As one who argued that the prior policy was a penny wise and a pound foolish, I applaud you for taking this step. However, I think we are all aware that this new flexibility is still going to apply to a finite resource and that the competition is going to be quite intense, maybe even more intense. So it is still very important for States and cities to understand these criteria and how they can address them. I know there is an effort with OMB to measure and quantify project benefits such as economic development and environmental benefits. I think we need to make sure that these measurements or any others that we apply are as straightforward as possible and are related in the real world to the kind of development we want to incentivize and reward and that we can undertake.

So I wonder if you could provide any further clarification this morning regarding these new criteria, the new measurements, any other insight about the features you are going to be looking for, projects that would fare best under these new criteria. What is the timeline for rulemaking on the new criteria?

Secretary LAHOOD. Well, thank you for that. I mean you have said it about as well as I could say it.

The common complaint I heard during the time that I was being considered by the Senate—every Senator said to me, Why does it take 12 years to get a new start? Because, you know, we go back and forth on the economic aspect of it without looking at other criteria. So we made a decision that we need to look at a whole comprehensive set of issues. There will be good competition for this, but that is good because what we will get is a lot of good, creative opportunities, and it will allow communities all over the country to compete for dollars for good projects, whether it be light rail or bus or inner city passenger rail or whatever, and to do it in a way that reflects the values of the community, in terms of livability, in terms of environmental opportunities. We believe these forms of transportation and these projects will get a lot of cars off the road and will get people out of their automobiles and will create some opportunities in communities.

So I mean you have sort of restated what we are going to be looking at. We are looking at a lot of different criteria, and we think this enhances lots of people's opportunities around the country and in a much shorter period of time, that it will not take 12 years.

Mr. PRICE. Can you give us some indication of how you are going to firm these up, though, so that communities know what they are dealing with? Also, as to the explicit rulemaking that you will undertake, what is the timeline on that?

Secretary LAHOOD. Well, we are getting started with it right now. We want to implement this very quickly so that, when our budget is approved by Congress, we can begin as quickly as we possibly can. You outlined what the criteria are, and the changes we have made. It is all very accurate, and it is just a matter now of implementing it as quickly as possible.

Mr. PRICE. Thank you.

Thank you, Mr. Chairman.

Mr. OLVER. Mr. LaTourette.

TIGER GRANT ANNOUNCEMENT

Mr. LATOURETTE. Thank you.

Mr. Secretary, it is great to see you. You are doing a great job. Just one housekeeping matter:

The last word we had on the TIGER grant announcements was February 17. Has anything changed on that?

Secretary LAHOOD. Yes. The statutory requirement that was in the bill is February 17. It will probably be a day or two before that.

RAIL SAFETY

Mr. LATOURETTE. I appreciate that.

I want to thank you on behalf of the State of Ohio for the $400 million for our rail project that is going to accomplish many of the things that you have talked about.

In 2008, I was still on the T&I Committee, and was one of the authors of the Rail Safety Improvement Act of 2008. In that act it statutorily mandates Positive Train Control, over which I am a big advocate. It also indicates that, as a baseline for the routes and the mileage and where PTC has to be implemented, it is going to be effective—they are supposed to look at the map and project out to December 31 of 2015. The FRA announced its final rulemaking on January 15. Despite being cognizant of that, they are using the 2008 map, and my friends in the rail industry tell me that that may lead to over 8,000 miles on which there are not TIH traffic, no passenger traffic, being subject to Positive Train Control.

My question to you is: Why?

Secretary LAHOOD. You know what, Mr. LaTourette? I will have to get back to you on that. I will ask our FRA Administrator to visit with you about this. I do not know.

HIGHWAY TRUST FUND

Mr. LATOURETTE. I would appreciate your looking into it.

Now, to the Highway Trust Fund, I wrote down that you indicated that there is going to be $42 billion, basically, for the surface transportation section and $10 billion for transit. The Highway Trust Fund does not generate $52 billion. So I believe that the budget proposal calls for borrowing—I guess "borrowing" is the right word, but taking—$20 billion from the general fund to fill the shortfall. Further, it is my understanding that by taking that money you are also going to reduce the contract authority from $54 billion to $9.5 billion, which I know has to be disconcerting to Mr. Oberstar.

Just an editorial comment, the problem with the stimulus bill was that it had some great stuff, but Oberstar would tell you that over half the jobs which the administration is taking credit for creating came from 8 percent of the funding, and it was the stuff under your control. The other 92 percent of the funding created the other half of the jobs. The jobs bill that has currently passed the House and is being considered by the Senate, in my opinion, repeats the same mistake. It has got 25 percent funding for things that will actually create jobs.

You know, in the construction trades 30 percent of the people are out of work. It is not 10 percent. It is 30 percent. With no disrespect to the leadership from California, some folks from California get in there and they have all kinds of things that have nothing to do with job creation, which gets to the 6-year reauthorization. When Mr. Oberstar was working last year feverishly to figure out a way to get this done and despite a horrendous whipping effort by my leadership against a 3-month extension, we got 85 Republicans to vote for the extension—84 against—on the belief that we needed a 6-year plan.

I have to tell you that, even though I have the greatest respect for you and the President of the United States, kicking this can down the road to March 2011 is irresponsible. This has to be worked out. This is not a problem where, all of a sudden, some light bulb is going to go on after listening for 18 months. We knew it when we passed SAFETEA–LU that we were going to have this problem.

I am telling you, as I have told Mr. Oberstar, that we will bring Republicans to the table. I get that the Democrats are scared because of some of the election results. They do not want to have a tax increase on top of the other things that are going on around here, but the fact of the matter is it is time for leadership on this issue, and it is irresponsible, in my opinion, to not deal with this.

I mean I saw you. Early in your tenure, you made some observation about vehicle miles traveled, and I got the feeling you were summoned down to the White House pretty quickly after that, and you stopped talking about things like that, but it has got to be done. My question is:

If we can do this in a bipartisan way, will you help us down there?

Secretary LAHOOD. The administration is for an 18-month extension. We are going to work with Congress on that, and we believe that is the best path forward.

I can show you many places around the country where our economic recovery money put a lot of people to work. A year ago a lot of those people were on unemployment, didn't have jobs. Throughout the summer and fall and even into the winter, they continuously worked on these projects, and will continue for the next 6 months.

Mr. LATOURETTE. Despite my fondness for you, I respectfully disagree. When you look at the jobs that were created, even in the construction sector, they were "make work." You moved up repaving projects that were programmed for 3 years from now. People worked for a few weeks, and then they were out of work again. The unemployment rate in the construction trades is 30 percent. We need a 6-year bill. We do not need an 18-month bill.

I thank you.

Mr. OLVER. Ms. Roybal-Allard.

AIRLINE DRUG AND ALCOHOL ABUSE PREVENTION

Ms. ROYBAL-ALLARD. Welcome, Mr. Secretary.

You mentioned earlier your visit to Los Angeles. I want, once again, to thank you for being there and for touring the Metro Gold Line Light Rail, which began revenue operations 1 month earlier than scheduled, which adds to the very positive record that it has of being completed, you know, on time and on budget without the loss of any time injury, even though the construction team amassed a safety record of more than 3 millwork hours. So, as you know and as you noted, we are very proud of that project, and we look forward to continuing to work in strong partnership with you as Los Angeles continues to expand its rail network.

Secretary LAHOOD. It is a great project. It really is. You know, I know you all worked hard on it, and really, it is a magnificent project for the people.

Ms. ROYBAL-ALLARD. Well, we worked very, very hard also to make sure that the community was involved in that project, so I think the results were very positive.

Secretary LAHOOD. You sure did. Everywhere I go, I talk about that project, how you really put a lot of different neighborhoods together with affordable housing and stores. You know, it is a magnificent project.

Ms. ROYBAL-ALLARD. Thank you.

In the fiscal year 2010 Transportation appropriations bill, it includes $1.37 million in funding for the Human Intervention and Motivation Study, which is a comprehensive education and training program for alcohol and drug abuse prevention in the airline industry. As you know, it was originally a substance abuse prevention program only for pilots. However, in 2010 I was very pleased that, at my request, Congress increased the funding for this very critical health and safety program to include a program directly for flight attendants.

Can you give us an update on the status of the implementing of these two programs?

Secretary LAHOOD. I expect to be releasing this very soon. It is being reviewed by my office, and we are about ready to release it.

Ms. ROYBAL-ALLARD. Okay. Great. Will it be this month?

Secretary LAHOOD. Well, it will be soon.

RAIL SAFETY

Ms. ROYBAL-ALLARD. Okay. Hopefully, this month.

Last week, the National Transportation Safety Board held a hearing on the September 2008 Metrolink collision near Los Angeles in which 25 people were killed. At that hearing, the board adopted recommendations that requested the Federal Railroad Administration to require the installation of cameras inside all controlling locomotive cabs in order to verify that train crews are operating in compliance with safety rules and operating procedures.

In response to the NTSB recommendation, what are the Department's plans to promulgate these new regulations to require cameras inside locomotives? What resources do you expect the DOT or the FRA will need in carrying out these recommendations? How will you ensure the safety and also protect employees' privacy?

Secretary LAHOOD. We are looking at the NTSB recommendations, and this goes to our number one goal at the Department, safety is uppermost in our minds in all forms of transportation. We will take very seriously the recommendations. I hope Congress will take very seriously the idea that we are pushing a transit safety bill that we think is critical for our agency. The law prohibits us from getting involved in these kinds of safety activities with transit programs. We think we need that kind of involvement, the way that the FRA has it over rail.

So we are going to review the recommendations. That is the answer to the question. This will be a priority, and we will look for ways to make these systems safe.

Ms. ROYBAL-ALLARD. As you are well aware, hundreds of transportation agencies around the Nation are facing enormous deficits at this time. Specifically, the shortfalls are often in operating funds, which leads to layoffs at transit agencies at the exact time when we are trying to stem the loss of good-paying jobs in America.

In Los Angeles County, home to 10 million residents, the Los Angeles Metropolitan Transportation Authority is facing a shortfall of at least $250 million in operating funds at the end of fiscal year 2011. We can only imagine what a $250 million operating shortfall could mean for Metro, its riders and its employees.

What are your views on giving some flexibility to the use of Federal funds, at least during this time of crisis, for operating costs for transit agencies? Is there something that you and the administration are willing to consider to address that?

Secretary LAHOOD. Well, as you know, when you all passed the omnibus, you included a provision that allowed for up to 10 percent of the transit funds to be used for operating. I, like you, believe that it is incumbent upon us to try to be helpful to these transit systems. One of the ways we can be helpful is to allow some of the funds to be used for operation. It is kind of silly to be providing funds to buy buses or whatever, and then you do not have the people to drive them or to operate the system. So we think it is a good use of some of the money to be used for operations.

Ms. ROYBAL-ALLARD. Okay. That is good.

Mr. OLVER. Thank you.

Mr. Carter.

ENVIRONMENTAL STUDIES

Mr. CARTER. Thank you, Mr. Chairman.

Welcome, Mr. Secretary. It is two times in one week. Glad to see you.

Secretary LAHOOD. Yes, sir.

Mr. CARTER. Recently, in my office, I have had a parade of people come in on projects that were part of the stimulus and were supposed to be shovel-ready and ready to go, but they bump up against environmental studies. I mean, for a half a dozen different highways, people have come in and said, We are ready to go, but we can't get the environmental study done. FISH is behind. They have a deadline that they have to meet; but in reality they hold back, knowing they are overwhelmed, and so we cannot get this stuff to FISH and out of FISH.

Then once you come out of FISH with an environmental study, then the environmentalists take you to court. By the time you get through that process, you have got to go have another environmental study by FISH. It is a circular process that seems to be delaying the construction of highways, at least in our part of the world, and, from what I understand, around the country.

So I want to throw out something that has been brought up to me, and I would like to have your comment on it, which is if we could go to binding arbitration rather than going to the courthouse to resolve these issues once environmental studies have been done and then the challenge to those environmental studies at the courthouse, which I am sure you are aware, can take years to resolve. Rather, let us set up a binding arbitration situation to resolve these things so we can build highways instead of bump up constantly against, some would call radical environmentalists. I would like to have a comment on this.

Secretary LAHOOD. Look, Mr. Carter. If you want to do that, you are going to have to do it legislatively.

I mean one of the things that we have to abide by and certainly under the economic recovery, which your folks are complaining about not receiving enough of the funds—part of that legislation said that we have to follow the regular guidelines for constructing roads or resurfacing. Part of that is environmental impact statements which many of the States had completed on a lot of these projects, and obviously some did not. If you want to seek that kind of remedy, my suggestion is that it is going to have to be done legislatively.

Mr. CARTER. Mr. Secretary, I understand it has to be done legislatively. I have asked for your comment on binding arbitration. If we could get a binding arbitration statute written, I would like your comment on whether you think that is a good idea or whether you would oppose it.

Secretary LAHOOD. I have not thought enough about it, but, you know, I will think about it, and will give you an opinion. Off the top of my head, I would rather not say something that I might not know enough about. Let me think about it, and I will get back to you.

Mr. CARTER. Well, I would like to hear from you about what you feel about it, because I intend to have some other people join me in sponsoring that type of legislation.

Secretary LAHOOD. Sure. Okay.

HIGH-SPEED RAIL

Mr. CARTER. One more question if I still have time, Mr. Chairman.

You have just announced $8 billion worth of high-speed rail. Most of this high-speed rail is at a 110 mile-an-hour maximum. Is there still any interest in the Department to the 150-plus-speed trains?

Secretary LAHOOD. Yes, sir.

We allocated money to 13 regions around the country. In some of those regions, and certainly in some parts of California and other regions, the trains will go faster than 110. It is a matter of using some of the resources to fix up freight rail lines and Amtrak lines, but we envision that on some of these corridors trains will be going faster than 110.

Mr. CARTER. But most of the high-speed rail projects you envision going on existing tracking?

Secretary LAHOOD. That is correct.

I think all of the proposals that we received were a collaboration between the freight rail and Amtrak. Some will build some new infrastructure, but the lion's share of it will use existing track either through the freights or through Amtrak.

Mr. CARTER. Is there any money available for high-speed rail studies to be done?

Secretary LAHOOD. Absolutely. We will be announcing some study money very soon. That was not a part of the $8 billion, but we do have some money that we will be making available very soon for studies.

Mr. CARTER. The only reason I ask is that a recent study by a French rail company rated that the cost of the revenue stream would be best on that proposal that we have laid out from Texas, which I am sure you are aware of.

Secretary LAHOOD. Okay. Yes.

Mr. CARTER. We are excited about trying to get that project going.

Secretary LAHOOD. Yes, we will be making those study allocations very soon.

Mr. CARTER. Well, thank you, Mr. Secretary. I appreciate your comments.

Secretary LAHOOD. Thank you.

Mr. OLVER. Thank you.

Mr. Berry.

AIRLINE SAFETY

Mr. BERRY. Thank you, Mr. Chairman.

Thank you for being here, Mr. Secretary, and for the job you are doing.

This may be public information, and I just had not picked up on it, but we have heard a lot lately about the commuter airlines and their safety records, their lack of maintenance, their violations of rules and regulations, and that sort of thing.

Could you just tell us—I would be surprised if you have not paid attention to that. I am sure you have.

Secretary LAHOOD. Airline safety is a very, very important priority for us, and we pay a lot of attention to it every day.

After the Colgan Air crash, Randy Babbitt, our FAA Administrator, traveled the country and held 12 safety summits, inviting people from the aviation industry to come in and talk about the training of pilots on commuter airlines, fatigue and pay issues. We had made some very strong recommendations to the airlines on this even before the NTSB report came out yesterday. We also are right in the middle of a rulemaking, which will require airlines to do certain things in terms of training, in terms of pay, in terms of schedules, and those kinds of things. That is our job, to pay attention to these things.

So we are on this. We know that there is great concern after the Colgan Air. I met with the families on two different occasions, so

I know the heartache that they are going through. It is a very tragic accident, but since that time we have taken a number of steps voluntarily—before anybody told us to—to get on top of this, and we will have a rulemaking very soon on this.

Mr. BERRY. Thank you, Mr. Secretary.

Secretary LAHOOD. Thank you.

Mr. OLVER. Ms. Kilpatrick.

TIGER GRANTS

Ms. KILPATRICK. Thank you, Mr. Chairman.

Mr. Secretary, good to see you again.

Secretary LAHOOD. You, too.

Ms. KILPATRICK. As you stated earlier, thank you for coming to Michigan several times and to my district a couple of times as well.

Secretary LAHOOD. Thank you.

Ms. KILPATRICK. Michigan is the epicenter of much of the economic stress that we find ourselves in, so your coming has been absolutely marvelous. Thank you very much.

Secretary LAHOOD. Thank you.

Ms. KILPATRICK. A year ago, you and Secretary Donovan sat at that table and talked about rebuilding communities and all of that. I want to say that, in Michigan, we have been very happy with the support we have gotten.

The recent Neighborhood Stabilization Program that came out was announced a couple of weeks ago. Twelve cities, as you know, came together in Michigan, and are now doing all of those things that you asked us to do. So thank you for that.

The chairman mentioned the TIGER grants earlier, and I know they are out. I know you are getting close to making a decision. What is the status of the TIGER grants?

Secretary LAHOOD. The statutory requirement is that we make the decisions on or before February 17. We will be close to that date, and we are working with the White House on the rollout of those.

Let me just say that your leadership in Detroit, particularly at the meetings that we have had and since then, has been extraordinary, and I want you to know we are going to continue to work with you, the staff, the stakeholders. Our transit people are in Detroit in the next few days, meeting with the mayor and others, to figure out the kind of things that you all want to do there. So there will be some good activity and some good planning that will continue as a result of the meetings that we had when we were there last year.

Ms. KILPATRICK. Thank you very much.

Secretary LAHOOD. On or before the 17th, probably closer to the 17th, you will be hearing the news about the TIGER grants.

AIRLINE SAFETY

Ms. KILPATRICK. Okay.

On Christmas, a gentleman—a young fellow—brought a bomb on a flight that was about to land in Detroit. I am also on National Defense, and we have had some briefings on that side. As aviation manager in this instance, how close are we? I mean that gentleman was not on any watch list. He is from a wealthy family. Is there any update on that? Is there anything you can tell us?

Secretary LAHOOD. Well, not really. Those kinds of activities are done more through Homeland Security. I mean our job at FAA is to work with airports, to work with airlines. Obviously, TSA is under the jurisdiction of Homeland Security. We work a lot with Homeland Security, but I am going to say this:

Flying is safe. I can tell you right now there are thousands of people in the air all over this country and all over the world. Flying is safe. Are there things we need to do? There are things we need to do. We are going to look at the NTSB recommendations, but we are also going to continue to stay on top of these things because we know safety is most important. Thousands of people board airplanes every day and get to their destinations safely, and that is something that I want people to know—thanks, in part, to the fact that there are people looking out after their safety, whether it is through TSA, whether it is through the work that we do with airlines or whether it is through the airlines themselves.

Ms. KILPATRICK. We appreciate, for those of us who fly twice a week, hearing you say that airline flying is safe. That is very important to us.

Secretary LAHOOD. Right.

HIGH-SPEED RAIL

Ms. KILPATRICK. My other part, as has been said earlier today, is the high-speed rail corridor. $2.5 billion last year was appropriated, and I know you recently announced the $1 billion that came out. Our State got a little of that. There was the $8 billion recently and now the $1 billion that is in the bill. That is 9 new billion dollars.

Secretary LAHOOD. Right.

Ms. KILPATRICK. I hear your requests were way higher than the amount of money that we have available.

How does that $9 billion fare today as we come back for another bite at the apple, all of our States?

Secretary LAHOOD. Well, what we are going to do now—now that we have announced the $8 billion, thanks to your committee, we have $2.5 billion in our appropriation bill. We are hearing from people right now, and we hope to continue to work throughout the next several months to get that money out the door, particularly for those communities that felt that they were disadvantaged because they didn't get as much as they wanted, or States that didn't get as much as they wanted. Very immediately, we are going to be announcing some study money that some States need to do.

We take seriously this high-speed passenger rail and that America is getting into the high-speed passenger rail business. We take seriously the fact that this subcommittee added $2.5 billion in our appropriation bill. The President is requesting $1 billion in his budget.

Secretary LAHOOD. So we are on our way. High-speed rail is coming to America. I have had two conversations with the Governor of Michigan since these announcements. We are going to work with Michigan on this, and they will be a good path forward, I would think.

Ms. KILPATRICK. Thank you for your support. And I just want to say before my time ends, you are way better in that chair this year than last year. What a difference a year makes. You have always been smart and enthusiastic, but I commend you on your knowledge of transportation.

Secretary LAHOOD. Thank you.

Mr. OLVER. Mr. Rodriguez.

Mr. RODRIGUEZ. Thank you very much. And it is probably due to the fact that you have been out, as you indicated earlier, throughout the country listening to our constituents——

Secretary LAHOOD. It is the fact that I came to San Antonio.

Mr. RODRIGUEZ. That is right. Let me also thank you for coming to San Antonio and for also reaching out throughout the country.

We understand how our situation is in terms of transportation and the lack of it and the fact that we are looking at other forms of transportation. And I know you heard in San Antonio about Port San Antonio and the importance of freight, not only air but rail freight, coming into San Antonio and the importance of that and how critical that is to us as well as the high speed between San Antonio and Austin and Dallas and how critical and got a chance to hear from our mayor as they plan towards a future.

And I gather that is the same situation throughout the country. We know we don't have sufficient resources out there; and I am hoping that there is an attempt by yourself and the administration as we look at—if it happens or doesn't happen—a new stimulus package or an effort through the jobs, trying to put these resources in transportation and infrastructure that that—and I ask you to comment on that if possible.

But I also would want you to comment on the importance of safety on rail. I have a lot of small communities where those trains are going through where you used to have one train a week and now we have one or two a day and how critical it is to put the resources there, you know, not only in rail safety improvements, and I would also ask you to comment on that.

Secretary LAHOOD. Safety is our number one priority at DOT in all modes of transportation. We have paid a lot of attention particularly to what happened in California with the train wreck, what has happened here in Washington, D.C., where some people were killed on the Metro system. That is the reason we put forth this transit safety bill that we are asking all of you to pass, so we can really get into the oversight opportunity on these transit systems around America, which we have been prohibited from doing by law. Somebody needs to provide the oversight. That is the reason we put forth this bill. We really encourage you—this steps up and shows that safety is a priority on the rail.

The positive train control rule that we have out is another example of how safety is a priority certainly on the rails. Also the work that we have done with our FAA Administrator stepping up with the 12 safety summits, and the recommendations that he made after the Colgan Air. Immediately after the helicopter hit the small plane over the Hudson, the two air traffic controllers were dismissed. We took direct action against the pilots who overflew Minneapolis by 150 miles.

Look, we are not going to sit around on our hands waiting for somebody else to do these things. When we see violations, we will step up and take action.

We need your help on this transit safety bill, though.

Mr. RODRIGUEZ. You will get it.

Let me also ask you to follow up on—I know that some of us feel very strongly that if there is any form of stimulus that it be utilized for infrastructure and for transportation purposes.

Secretary LAHOOD. We still have to complete the work that was started with the first stimulus money. We are just about ready to obligate all of that money, and we were obviously pleased that the President asked Congress to pass another jobs bill which would provide us substantial dollars that we can continue the progress that we are making in putting people to work.

MOTOR CARRIERS

Mr. RODRIGUEZ. Let me ask you a question as it deals with the border as we talk about Port San Antonio for air and rail. We have a good number of 18 wheelers come through there coming from Mexico, coming and going, and the importance of making sure the safety requirements of being licensed and all that and the resources that are being put in that area. Can you elaborate on that?

Secretary LAHOOD. Every truck that comes across is subject to very, very tough safety standards. Our people are there checking these trucks and making sure that the drivers of the trucks have the proper licenses, that the vehicles are safe. Even though the Mexican truck program was suspended, we still are doing our work in checking these trucks that come across the border.

Mr. RODRIGUEZ. And that becomes really important that we continue to do that——

Secretary LAHOOD. We will.

Mr. RODRIGUEZ. And the resources are there.

Once again, thank you.

Secretary LAHOOD. Thank you.

Mr. OLVER. Mr. Pastor.

HIGH SPEED RAIL

Mr. PASTOR. Good morning, Mr. Secretary.

Secretary LAHOOD. Good morning.

Mr. PASTOR. First of all, I want to thank you for the excellent job you are doing and also personally for the hospitality that you have always expended to me. Thank you.

Secretary LAHOOD. Thank you.

Mr. PASTOR. As you know, the 20 miles of the light rail that we have constructed has been in operation for 1 year; and probably the reports that you are getting is that it has been a success. The ridership has succeeded all expectations, and I think we finally have persuaded the naysayers that it is a good investment. And I tell you today we are in preparation to extend the line east. Mesa is asking for an extension. From the downtown area in Phoenix, we are looking to extend it west and south; and we think that the south extension and the west extension will get to the people that will probably need the transportation because of their socioeconomic levels.

So we continue to work with the FTA, and I have to tell you region nine is—is a great partner with us and we thank you for your cooperation.

Hopefully, February 17th I will have a chance to call you and thank you for the people mover. As you know, that is high on our list for the TIGER grants, and hopefully we can get that accomplished. As you know, when that region continued the project, that one has met the environmental impact statement. People are working; and with the additional grant, that will add more employment.

What I wanted to talk to you a little bit about is, first of all, thank you for the Livable Communities. The chairman, I guess, 2 years ago, 2½ years ago, maybe 3 years ago, started this initiative; and it is one that we all support. But every community is different; and in the Phoenix metro area, Maricopa County, we have these 20 miles; and even within the 20 miles there are differences.

So I guess that I would ask, as you provide money for the planning and the studies, there are areas that have been studied and have been looked at, but in order to make them livable, we need to provide incentive grants to communities so that the actual—whether it be the small business that is going to create jobs along with the affordable housing becomes a reality. In today's time, as you know, with the economy, that type of grant given to the authority, the various authorities, might be able to make this a reality.

So I don't know right now—I know you are going to create the office, but hopefully as this is being created that even within one light rail line there are different economic situations and opportunities so that there is flexibility so that working with the communities we can achieve.

I will give you an example of what just occurred in Phoenix. There was a large apartment complex privately owned that went belly up, and working with HUD we were able to have the city of Phoenix pick it up through all the tax credits and all the rules. Well, that particular apartment unit is less than a half mile from the light rail. So with that hopefully affordable housing and use of light rail will increase. And it is projects like that that we have an interest in, that we are looking for that flexibility so that we can maximize the investment, especially where you have a light rail existing that will create the jobs and create the businesses and also make a livable community. So I make that request.

Secretary LAHOOD. First of all, to your comment about your light rail, if you build it, they will come; and that is a great example of it. I was there, when that system got started, and I know that it is exceeding the ridership that anybody thought. It is because people really like these kind of systems. They are comfortable. They are affordable. They deliver people where they want to go.

And on the Livable Community issue, we will certainly work with your folks to try to fashion things that make sense for the neighborhood or for the community.

Mr. PASTOR. Can I also echo what Congresswoman Roybal-Allard said? Because of the economic status situation at the State of Arizona and the metro areas, Phoenix and other cities, the use of Federal money to continue to be used for operation——

Secretary LAHOOD. The operating.

Mr. PASTOR. It is a great relief. So if you can continue that, we would greatly appreciate it.

Secretary LAHOOD. I think Congress will continue it. It is important right now when ridership is down and it is hard to operate these transit systems.

Mr. OLVER. Thank you.

Secretary LAHOOD. Thank you.

Mr. OLVER. Ms. Kaptur, you are up. I will take you at this point or you can wait for a couple of people to catch your breath.

Ms. KAPTUR. I am good.

Mr. OLVER. Okay, you are good. Ms. Kaptur.

SAINT LAWRENCE SEAWAY

Ms. KAPTUR. Thank you very much, Mr. Chairman; and welcome, Mr. Secretary.

Secretary LAHOOD. Good morning.

Ms. KAPTUR. Great to see you again. I apologize I couldn't be here earlier. I had a committee conflict.

I wanted to say that I thoroughly enjoyed the time that we spent together last year in Messina, New York, at the St. Lawrence Seaway's 50th anniversary. For you to take that trouble in your first year to go up there was really commendable.

You were at the time very supportive of the long-term infrastructure improvements for the Seaway and that the administration was going to be supportive of those programs. You know that the St. Lawrence Seaway is important not just to the region but to the maritime ports of the Great Lakes that depend on international water-borne commerce, including my home port of Toledo, Ohio.

In reviewing your fiscal year 2011 budget request, however, and the 10-year asset renewal program, I note that it is not funded at a level necessary to ensure on-time completion of the projects along the Seaway. In fact, the fiscal year 2010 President's budget included an outyear estimate for fiscal year 2011 of $18.482 million to complete 25 asset renewal program projects. However, the Seaway's fiscal year 2011 submission we received earlier this week only includes $15.7 million for 20 projects. So there appears to be a gap there, and I have three questions.

Why did the administration reduce the Seaway's asset renewal program budget by almost $2.8 million or 15 percent? Number two, will this reduction require additional years to be added to the program? And, finally, what assurances can you make that similar reductions in subsequent years will not be made to this program?

I would be interested in your general comments and then the specifics as your staff gives you the numbers.

Secretary LAHOOD. My general comment is you know that we have a commitment at DOT to the St. Lawrence Seaway. It is very important. I am going to let my assistant secretary, if you don't mind——

Ms. KAPTUR. Fine.

Secretary LAHOOD [continuing]. Chris Bertram answer the specifics, but I want you to know we are committed to the St. Lawrence Seaway. It is very important.

Ms. KAPTUR. Thank you. I know you are.

Mr. BERTRAM. Congresswoman, the request is $15.6 million, which would complete the 3-year structural rehabilitation of the bridge that goes over to Canada as well as upgrading the Seaway locks and the miter gate at the Eisenhower lock. This is what the St. Lawrence Seaway tells us they need for what they can actually accomplish in fiscal year 2011.

We continually monitor where they are on their capital program and assess what they can actually spend and obligate in a given year. As you know, their construction season is actually somewhat constrained up there because of the weather, but we believe that the $15.6 million is enough for their needs for 2011.

Ms. KAPTUR. So you are saying that the President's budget, the 2010 budget, included an outyear estimate for 2011 of $18.482 million for 25 projects. Your budget is only covering 20 projects at 15 point—you said 6? Because the number I had was 15.7 million.

Mr. BERTRAM. We have 15.6, but we can——

Ms. KAPTUR. And you are saying that the Seaway Authority said they don't need the additional funds in 2011? They can't spend them?

Mr. BERTRAM. Right. They told us that that is the funding levels they need for the projects they can undertake in 2011.

Ms. KAPTUR. So when the Department of Transportation submitted its budget to OMB, that is what the Seaway administration asked for, the Seaway Authority, or did OMB cut it?

Mr. BERTRAM. I would have to review what we sent to them. I don't recollect right now what the Seaway Authority asked for from OMB.

Ms. KAPTUR. I would be very interested in any detail that your office could provide on which projects were anticipated in the prior budget and what has happened with your 2011 budget request.

Secretary LAHOOD. We will do it.

Mr. BERTRAM. We will do that.

HIGH SPEED RAIL

Ms. KAPTUR. Okay. And then, speaking parochially—I am looking at Mr. LaTourette down the table there. He and I anchor both ends of Ohio, and I am sure you must have asked about high-speed rail in your questioning. Of course, the first projects that have been identified by the administration will really not go into the northern corridor of Ohio. They are focused on a crosshatch across the State. Did you cover that, Steve, in your questioning?

Mr. LATOURETTE. I did not. I thanked the Secretary for the 400 million bucks for the DCC corridor, as I call it, the Dayton, Cincinnati, and Columbus.

Ms. KAPTUR. Yes. Where we really need the administration's help, if I can just take an extra minute, is in the higher-speed corridor that would be Pittsburgh, Cleveland, Toledo, Chicago, which has to go through Indiana. For some reason—and I just place this on the record—the State of Indiana was not able to provide a match for planning in the northern part of Indiana, and that has really put on hold our ability to move that high-speed rail corridor. They claim they didn't have the match. Perhaps the Secretary could get to the bottom of this and figure out——

You know, as a Buckeye, I feel I want to work with the Hoosiers, but, you know, they have got to come to the table here. And perhaps the Secretary could play a role in that so that the higher-speed corridor could get the same attention as the corridor that will go in Ohio's situation from Cleveland to Columbus to Cincinnati, but the more traveled corridor will be the Pittsburgh-Cleveland-Toledo-Chicago corridor, and we can't do it without Indiana coming to the table.

Secretary LAHOOD. Look, I would say that Indiana is interested in this project. We are going to be making some planning grant awards here very soon, and we will be working with Indiana on this.

Part of the dilemma in some of these States is the legislature was not able to pass the match money. That was true in about three or four States around the country. I don't think it is for a lack of leadership on the part of Governor Daniels, but maybe the timing wasn't right. But we are on top of this. We know it is important.

I will also tell you that the reason the three Cs was funded was because of the strong support from the Governor and from the Ohio delegation.

Ms. KAPTUR. We understand that. We know what that is all about.

INFRASTRUCTURE FUND

Mr. OLVER. Thank you.

We will start the second round and continue in the same vein here.

Mr. Secretary, you have proposed here—one of your big initiatives is the National Infrastructure Innovation and Finance Fund. I think we have started calling it NIIFF. I am not sure that is the proper terminology or not. But, anyway, this appears, as I mentioned, to be combining the proposal for last year's infrastructure fund, which was proposed at that time for $5 billion, and we moved some of that money around to do a bunch of other things, including the $2½ billion for HSIPR and the money for TIGER that went into the '10 bill and such.

The high demand for the TIGER program has clearly been established by the response to that set of funding opportunities, and it certainly demonstrates a great need for investment in the infrastructure, especially projects that improve the movement of passengers and freight among multiple modes of—which include ports and rail and transit and air and highways.

Now, when—last year, we never got legislation for an infrastructure bank. And it is not unauthorized. It is a major item. Do you have a sense of when we will get a proposal, a legislative proposal, for the infrastructure bank as you have proposed this year? Am I correct that it is sort of a hybrid between last year's infrastructure and the TIGER program?

Secretary LAHOOD. Okay. Well, I am not going to refer to it as the NIIFF, because I don't particularly like that term. I don't think it reflects the value of the program. But I will refer to it as the infrastructure fund, and we will be proposing authorization language very soon. And we envision this—and when you see the authorization language—as an opportunity to fund multi-modal projects that include highway transit, rail, ports, and maritime.

Mr. OLVER. Does it particularly include components or incorporate lessons that you have learned from the process of going through the TIGER grant process, which is not quite complete? All of us want to be able to call you to say thank you for whatever it is that you have done at that time. That certainly is true. But are lessons that you learned in that process already being——

Secretary LAHOOD. We received a lot of very creative proposals from around the country, almost all of them multi-modal, and we have seen that there is a lot of creative thinking, a lot of creative juices flowing, a lot of creative proposals. We think that what we would propose in an authorization bill is multi-modal, taken from some of the creative things that we have seen come in from around the country under TIGER.

Mr. OLVER. When people respond to a notice of funding availability, the responses that you get depend very much on the capacity on the part of the folks who were making those applications. Some have very great needs and not very great capacity, and others have a great deal of capacity to put forward—and maybe have even stronger needs if they have that capacity. Do you have any thought about how one takes into account that there are places that have great need but not so much in the way of capacity to accomplish that, to help them?

Secretary LAHOOD. Well, we have traveled around the country enough, and we have relationships with enough of these stakeholders to know, who these people are, what their capacity is, and how they can really utilize the money. Our people work with stakeholders day in and day out. We have developed lots of relationships as a result of TIGER and the proposals we have received, and our people are pretty good at making judgments about this, I think.

Mr. OLVER. But I am sort of asking are we also being good at helping them with technical assistance if——

Secretary LAHOOD. Absolutely.

Mr. OLVER [continuing]. There is a strong need that is identified by——

Secretary LAHOOD. It is one of the ways that we have really broken down the silos, too. We have got transit people working with rail people working with highway people because these multi-modal proposals that we have received really have allowed us to get all of our people working together, reviewing these, talking about them, and trying to give some good technical assistance to people.

Mr. OLVER. Thank you.

Mr. Latham.

REAUTHORIZATION

Mr. LATHAM. Thank you, Mr. Chairman.

If you hear everyone's questions, we are talking about new initiatives and the tremendous demand obviously that there is for dollars to go towards infrastructure, whether it be high-speed rail or highways, whatever. But I think one of the biggest problems we have—and Mr. LaTourette really focused in on it—is the fact that there is no certainty out there because we do not have a reauthorization.

We are looking at your own solvency tables for the highway trust fund, and June 4 of this year it will go below $4 billion. You have to go into the cash management plan at that point.

By August 20th, we go in the negative. I assume that there will need to be another infusion of general funds into the trust fund to keep that operational. I would like to know just how much will you need? I know last year in your testimony that what was be going to be asked for was going to be offset. That was an assurance we were given. It didn't happen. But how much will we need to make up the difference in the trust fund and what do we tell our States when they can't plan more than 6 months down the road? That is a problem. There is no long-term planning because there is no certainty out there for the States today.

Secretary LAHOOD. I am going to have Chris give you the figures, and then I will tell you about the other part.

Mr. BERTRAM. Yes, sir. The highway trust fund will require $9 billion to stay solvent through the end of this fiscal year. $8 billion would be for highways and $1 billion for mass transit. That is our current estimate. We provide the Congress weekly updates of the status of the trust fund and as we get closer to the summer we will probably have a more precise estimate of what that figure is.

Secretary LAHOOD. Our highway people are in communication with the States all the time, in terms of what their plans are. So it is not as if we are not providing technical assistance and it is not as if they don't know at some point Congress is going to pass, a transportation bill. There are no secrets in these States about what they want to do, and we are talking with them and we are working with them. Some of the stimulus money has been used to fund things that they would have maybe ordinarily done under an authorization.

Mr. LATHAM. I think the problem is they don't know—they probably believe that we will keep the commitment we have at the current baseline levels. But the fact of the matter is, if we are talking about a $400 or $500 billion reauthorization to dramatically increase, they cannot plan for any of that today because the money is not authorized. There is no plan.

You know, I have got the table of how we are going to go into the negative and $8 billion for highways, another billion for mass transit coming out of the general funds, which we are going to have to borrow to do that. We have all the requests here from everybody for more and more of these projects. I mean, we are at a point that there has got to be some certainty out there, and I think that you would be able to—it is not just the States but local communities would be able to plan if, in fact, we had certainty, but I don't see any effort really to do that. I mean, we are kicking the ball down the field again.

I don't know if there is a question in that, Ray.

Secretary LAHOOD. It didn't sound like it.

Mr. LATHAM. But it is very frustrating to the people that come into my office every day and want to know what is going on. I don't see anything moving.

I mean, last year when I started talking about that and mentioned it, I didn't see any reauthorization done for, you know, the last fiscal year, this fiscal year, or going into next year; and Mr.

LaTourette said if you heard the thud, that was Jim Oberstar falling down outside. But what do you see—how can we move the ball? I mean, tell us. I don't see the administration coming forward with a plan.

Secretary LAHOOD. The President has asked Congress for an 18-month extension in order to——

Mr. LATHAM. Starting when?

Secretary LAHOOD. Starting when we requested it, I don't know, maybe 6 months ago. I can get you the date, but it was probably 6 months ago, whenever we asked for it. We are not going to try to start the clock today. We are going to start it from when we made the request.

Mr. LATHAM. Okay. My concern is you are going to start a new Congress. March of 2011 will be a new Congress, and Lord knows what is going to happen. That really kicks it probably another year down the road. That is the problem.

And the States are just pulling their hair out, the local communities. There is no certainty. And it is just very frustrating to a lot of us who would like to see—who have the great demands for these projects to be able to plan long term, and you simply can't do it.

Secretary LAHOOD. Well, having been in the seat that you are all in, if you can figure out how to pay for $400 to $500 billion, we will work with you on that, but where are we going to find $400 to $500 billion?

Mr. LATHAM. That is why we are looking for your suggestions, also. It has got to come from both sides——

Secretary LAHOOD. I agree.

Mr. LATHAM. But I think the administration actually should have some proposals, also.

Mr. OLVER. I think the point is made.

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

Mr. OLVER. Mr. Rodriguez.

AIRPORTS

Mr. RODRIGUEZ. Thank you very much.

And once again, Mr. Secretary, thank you. I probably have one of the biggest rural districts in the Nation in West Texas, and we have a good number of small airport relievers that provide resources, and we are trying to enhance it in that area. I would ask in terms of some comments in terms of the importance of those reliever airports throughout the community, and including, for example, in San Antonio we have a small one that provides 150,000 and in terms of the resources that are allocated in that area for you to comment on them.

Secretary LAHOOD. Sure. Well, those airports are very important, and we have a program that can be helpful to some of the smaller airports, and that program will continue. They are an important part of it, and we know with the downturn in the economy the use of those airports, like every airport around the country, has been diminished somewhat. But we will continue to work with the smaller airports and do what we can to be helpful.

Mr. RODRIGUEZ. Now, we have been looking at moving towards the new technology on airports.

Secretary LAHOOD. Right.

Mr. RODRIGUEZ. Where are we at on that?

Secretary LAHOOD. We have a significant request in our budget that the President sent up for next-generation technology. We have just implemented a NextGen system in the Gulf of Mexico. I am happy to have someone come up from the FAA and brief you on our plan for next generation technology. We want it implemented.

We are working with the airlines, because it is going to be very costly for the airlines—you can put it in the airports, but then the airplanes have to have it, too. So we are trying to really mesh the two of these together, and we have had lots of discussions with airlines about this and how they are going to pay for it and so forth. But we think we have an opportunity to really get the next generation technology sooner than maybe most people think.

LIVABLE COMMUNITIES

Mr. RODRIGUEZ. I also wanted to follow up, and I know there has been a great deal of dialogue and collaboration on that, and I want to congratulate you on that, regarding the livable and sustainable community initiatives. Would you elaborate on the mechanics of how this initiative will work and how communities will be able to get access to these resources?

Secretary LAHOOD. If our budget is approved, we have shared resources between HUD and EPA and the Department of Transportation in a program called Livable Communities, and we have a working group over the last year and once the budget is approved, really begin to work with communities. We know there are neighborhoods around the country, communities around the country, that want to do more with light rail, with transit, with streetcars, with walking paths, with biking paths; and all of these fit into the definition of livable communities. Once our budget is approved, we would be off to the races with these communities and neighborhoods in trying to help them implement the kind of dreams that they have for other ways to get around the community and neighborhoods other than automobiles.

Mr. RODRIGUEZ. So I gather there will be notices out later on in the near future and——

Secretary LAHOOD. Yes. This is a part of our budget, once our budget is approved, then we can have relationships again with these folks around the country that we have been out and visiting. They have heard about this program. We have talked about it for a year, and once everything is signed, sealed, and delivered as far as the money, then we will start accepting proposals.

Mr. RODRIGUEZ. Thank you, Mr. Secretary.

Secretary LAHOOD. Thank you.

Mr. OLVER. Mr. LaTourette.

INFRASTRUCTURE FUND

Mr. LATOURETTE. Thank you, Mr. Chairman.

Mr. Secretary, I want to commend you for the fund formerly known as NIIFF and just come up with a cautionary—I think that is a great idea. That really is the wave of the future. And we had proposed, and I guess the warning is in SAFETEA–LU there was originally a proposal, I think it was $17½ billion, for projects of regional national significance. And the footprint, the requirement was that each project had to be half a billion dollars or more. And we knew that we might not get one, but we knew that there were going to be 35, 30 projects around the country that were going to be built and they were going to be real projects.

In Ohio, the inner belt, Cleveland, the Bent Spence Bridge that connects Ohio to Kentucky, all of those are billion dollar projects. But a funny thing happened on the way to the original project fund. It went over to the other body, and they pirated it. They took 200 billion here, 200 billion there, 50 billion there, 50 million here. And so, just to take the one that I am interested in, the inner belt in Cleveland is a $1.2 billion project. Senator Voinovich got $200 million. Well, that is great, but you are not building a billion dollar project with $200 million.

So I would hope that—and I know that, given your integrity, that you will protect the integrity of this fund and make sure it really builds America and doesn't satisfy a bunch of parochial needs. I am interested in the budget submission and the reasoning behind the proposed termination of the surface transportation priorities fund of $161 million. And I will tell you what concerns me. That has an—it is a dirty word around here—earmark. But that fund is congressionally directed spending. So I consider it to be a direct slap at the United States Congress and the Appropriations Committee, and it will leave one bunch in town that is able to direct spending to specific areas, and that is the administration. And I wish you would reconsider that.

But if you have a comment about that I would be happy to——

Secretary LAHOOD. Do you know about that, Chris?

I will let Chris give you the bad news on this.

Mr. BERTRAM. Mr. LaTourette, those are the congressionally directed projects——

Mr. LATOURETTE. Right.

Mr. BERTRAM [continuing]. In an appropriations bill, and we don't terminate them. We are not rescinding them, but we don't propose any new funding for that in 2011.

Mr. LATOURETTE. So you continue the program with no money, is that—I got it. We will deal with that during the appropriations process.

I don't want to be a one-note Johnny, Mr. Secretary, but, again, the figure is 30 percent unemployment among civil engineers, the sand and gravel guys, the asphalt people, the concrete people, the laborer, the operating engineer. And according to GAO almost half of the stimulus funds that went through your Department that did, in fact, create jobs went for repaving projects, as I mentioned earlier.

In Ohio, the Cleveland Plain Dealer reported that the stimulus bill created or saved 13,000 jobs. Of those 13,000 jobs, 11,000 were teachers. I like teachers. I think it is great. But that is not stimulating the economy.

In Ohio, it has been pretty well publicized that over a million dollars was spent on signs, not saying "slow down," "construction zone," but saying "this project was paid for by the Recovery Act." So the sign makers are fully employed in Ohio, but the people that build the highways are not. And it was further a requirement that the sign had to be up before you could begin to put a shovel in the ground, which seemed a little odd to me as well.

We have a problem with unemployment. A job solves that. The President talks a lot about health care. A job can solve that for a family. Retirement security, a job can solve that. Foreclosure problems, people losing their house, a job can save that.

I just have to tell you, I heard what you said, and there are proposals. Mr. Oberstar has a proposal. I am working with Mr. Oberstar. We can find in a bipartisan way the 400 to $500 billion to fully fund, but it is going to take some tough choices.

And I will be a bipartisan basher. This started with President Bush. When he came up on SAFETEA–LU and said we only had $256 billion over 6 years, that was crazy. And because he wouldn't recognize and his bean counters wouldn't recognize that, we had to enhance the revenue to the highway trust fund. It would have taken a nickel then. Now it takes a dime.

I get people don't want to vote for a tax increase. I get people don't want to switch to vehicle miles traveled. I get people don't want to use the bonding authority of the United States. But if this administration continues to pump out stimulus bills that fund things like treatment for sexually transmitted diseases rather than putting the operating engineers to work, shame on you. And if the United States Congress can't work in a bipartisan way to come up with a 6-year bill that gets the job done, then shame on us.

I went up to Mr. Emanuel after the State of the Union address and said, I am ready, and he has invited me to send our proposal down. I will work with anybody, as will many Republicans, but to kick this can down the road until 2011 is a political decision. It is not an infrastructure decision that will rebuild America.

Mr. OLVER. Thank you, Mr. LaTourette.

Mr. PASTOR. We are going to stick very closely to let the Secretary get finished here, and we are going to hold it to 5 minutes now.

NEXT GEN

Mr. PASTOR. Thank you, Mr. Chairman.

The stimulus package did save a lot of teachers jobs, and school boards and school districts are very thankful, and cities have gotten some firemen and some policemen that stayed on the job and other people. They are thankful. And in the district I represent, jobs went for infrastructure, and people are working. And I was only sad to see that it was not a bipartisan bill not because of my choice but because of people that either felt it didn't go far enough, which may have been my colleagues' reason for not voting for it, or because they didn't want to spend the money. But the reality is we have made attempts to create employment and thank God that people have stayed in a job and will continue to do it.

I support infrastructure development, and I will join Mr. LaTourette, as he knows he and I have a friendly relationship, that there are water treatment plants and bridges and all of that, and I agree with it. And hopefully in a bipartisan manner he and I and others can work to get a jobs bill that creates more infrastructure that is greatly needed. But that is the reality today and for the future we need to work together. I guess both of us need to quit looking at the next reelection and look to the next generation, as I heard at the State of the Union. So we are willing to do that.

I want to thank you for the emphasis in the budget on safety. I have to tell you that sometimes we overlook it. The whole texting issue, distraction for drivers, is very important. And so as people are driving and wanting to text and not text, but the whole issue of how people are not paying attention to their driving whether—it is very important.

But the issue I have—it is not an issue. It is just a question, with NextGen. I have to tell you that a few years ago I was greatly disappointed because I saw a lot of disarray and confusion on how to get it going, and it seemed like things weren't happening because some agencies weren't involved and probably the priority was not there.

Today, you are telling me that there is a project over in the Gulf of Mexico and it is becoming a reality. I can wait for the Administrator Babbitt for more specifics. But, overall, is it under budget and on time? I guess that is my main concern. Because we can't spread it out like we have other programs dealing with navigation in the sky. So this is very important, but it is very expensive. So under budget and on time is a very big concern to me.

Secretary LAHOOD. Well, we have a good plan. We have some very good resources in the budget that is being proposed to all of you. We have people that think about this every day.

As I said, we have had lots of discussions with the airlines last year about how they can pay for what they need to implement in the planes. We are pretty far along on this, and we think we will have it sooner rather than later. There is a commitment from Congress, there is a commitment from the industry, and this is, if not the top priority, which is safety, it is right up there for us to implement this. The White House is behind us on this, also.

Mr. PASTOR. I am glad to hear that the airlines are involved in this.

Secretary LAHOOD. Absolutely.

Mr. PASTOR. The other is the air traffic controllers. Because I remember sitting here in the hearings always trying to discuss the screen and the mouse. So, hopefully, they are involved.

The other question I have, and I support you for the high-speed rail, but one of the disappointments I guess that I heard this morning is that they will still be using lines that are accommodating freight, Amtrak, et cetera. And at most hearings I have sat through here, it has always been if you try to accommodate three partners or two partners, it is always that you are not going to have that speed that you are looking for above—even to get to 90 is quite a challenge. So I just hope you can resolve that issue, because it is a problem in using the current infrastructure, especially the rails.

Mr. OLVER. Thank you.

Ms. Kaptur.

TIGER GRANTS

Ms. KAPTUR. Thank you. I will try to get through this in 5 minutes, Mr. Chairman.

First of all, Mr. Secretary, the largest transportation project in Ohio history was a Federal project crossing the Maumee River, the largest river that flows into the Great Lakes, Interstate I–280 in the region I represent. Shortly we are going to be solar powering the main pylon, which looks like a large Roman candle, and I believe it will be the first such solar-powered major lighting effort in the United States of America. We would like to invite you out to help us on this landmark——

Secretary LAHOOD. I will be there. Thank you for your leadership, too, and to the community.

Ms. KAPTUR. Thank you. It has taken many, many years and thank you for your openness to that.

Number two, I have two quick questions. One is, the administration is about to make $1.5 billion in TIGER grants funded through the recovery bill, and there is an additional $600 million that we provided in the regular budget, in the fiscal year '10 bill. Do you anticipate recompeting the TIGER grants for the new funding, the extra funding, or are you in the next 2 weeks going to roll out an announcement that spends the entire $2.1 billion?

And the second part of my question on that is, if a project scored high in the initial round of scoring but is not funded, are you going to make those projects compete again?

Secretary LAHOOD. We are statutorily required to make announcements on the $1.5 billion by February 17, which we will do, and then there will be competition for the additional money. I take your point on programs where we didn't have enough money but they are valuable programs or projects—I will get back to you on whether they can compete for those funds.

Ms. KAPTUR. I thank you. I just want to state for the record, and I will provide more detail, that the top project in our region, which was the modernization of our shipyard, was not able to be funded. And I have talked with the Secretary and you have been great in trying to explain what happened.

It was the top priority of our city, county, myself, our Governor, everybody else, but here is what we ran into. In the Recovery Act, there is a section 601(a)(8) that defines project if located within the boundaries of a port terminal to include surface transportation infrastructure modifications as are necessary to facilitate direct intermodal interchange transfer and access into and out of the port. So our State thought that a port project would be eligible, our shipyard would be eligible. What happened is, once it got over to DOT, it then got administered by the Highway Administration, and that is where we ran into difficulty.

We will explain that, but we are hoping that in the new jobs bill, assuming the Senate passes it, that if a project—our State DOT Director was in here yesterday and said if a project is eligible for any DOT program, it should be eligible for the recovery jobs program. We ought to find a way to do that and not have a stovepipe inside of DOT telling us we can't do it. So it seems there is a conflict in the law. We will try to clarify it to the best our ability, but we wanted to make you aware of it.

Secretary LAHOOD. Thank you.

ENVIRONMENTAL EFFORTS

Ms. KAPTUR. The final question that I have is just a request for information. That is, are there any programs at U.S. DOT authorities or funding to help urban communities, urban counties consolidate all their public vehicle fleet maintenance and management to go green? Is there anything in the law? Is there anything in what you are doing over there? Because I think this would save us a great deal of money.

Because we have State fleets, city fleets, county fleets, and transit authority fleets. Everybody has got their own garage. Every garage leaks energy. The vehicles are not that green. And so I am looking for any type of incentive program or demonstration program that might exist through DOT that we might be able to look in and, if it does not exist, to create the authority to have it exist.

Secretary LAHOOD. We will get back to you on that.

Ms. KAPTUR. I thank you very, very much.

Thank you, Mr. Chairman.

Secretary LAHOOD. Thank you.

Mr. OLVER. Thank you.

Mr. Latham for your final round.

TRANSIT

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

Mr. Secretary, as you know, there are many States in the country that don't have large transit systems, like Iowa. In our case, we put about $60 million a year into the mass transit account with the gas taxes that we pay. We get back about $35 million in the formula. And we still have tremendous needs as far as new equipment certainly as far as the systems we have. Is the Department doing anything to address the funding inequities for the smaller transit systems like in the State of Iowa?

Secretary LAHOOD. Well, our transit administrator is trying to work with States like Iowa, and why don't I get back to you with some of the specifics that he has been doing.

Mr. LATHAM. Okay. If you would.

Secretary LAHOOD. I will have him come up and meet with you.

MOTOR CARRIERS

Mr. LATHAM. Great. Thank you.

As you know, in the fiscal year '10 omnibus there was a provision in there to authorize the use of heavy six-axle trucks on interstates, highways in Maine and Vermont. The committee never really got a chance to have a hearing or to really debate anything about that, and there is a lot of interest from other States, obviously, for the same types of provisions. I just wanted to know what your thoughts are on that like a countrywide pilot program that would allow the States to increase the allowable weight on the interstate and would you be in favor of considering such a pilot program?

Secretary LAHOOD. Our administrator for truck safety is working on this, and I will get back to you with the specifics on what we are working on.

Mr. LATHAM. Okay. Obviously, we have the same types——

Secretary LAHOOD. This is a very, very controversial hot topic, and either I will come up and brief you or I will have our——

Mr. LATHAM. Let us get into one that is real easy, then. What about Mexican trucks? Where are——

Secretary LAHOOD. We are working with the White House on a proposal.

Mr. LATHAM. And I know we have had discussions between the of two of us with NAFTA and the commitment we have made with NAFTA to make sure it has to be done in a very safe way, obviously.

Secretary LAHOOD. Right.

Mr. LATHAM. But you are going to get back to me again?

Secretary LAHOOD. No. I am going to just tell you we are working with the White House on a proposal. Once we have that, I will be happy to come up and show it to you.

Mr. LATHAM. Is there a timeline that you are looking at?

Secretary LAHOOD. Soon.

Mr. LATHAM. Soon? In the interest of time, we have votes on the floor. So I will yield back my time, and I appreciate very much——

Secretary LAHOOD. Thank you.

Mr. OLVER. Thank you, Mr. Secretary, for being with us.

I have a couple of quick questions, and then we will close.

If when we get around to passing this bill sometime later, some months later in the process, if it is in regular order, a limited number of months, and if the economy still looks as if there is need, what would your thought be about going above the 10 percent that has been allowed for—several people expressed an interest in going above the 10 percent allowance for the capital funds that go out by formula being used for operating expenses, going to a higher percentage.

Secretary LAHOOD. I think that if you all decide to get into that kind of debate, we will talk with you about it. I think you know where we stand on the principle of doing it, and so if you all decide to do something else, we will talk with you about it.

Mr. OLVER. Okay. The other thing that I hear several people mentioned at one point or another is the streamlining of the processes. It is clearly the processes whereby one does planning and environmental work and design and finally at some point some 10 or 12 years later get to construction on a project that people are concerned about.

Does the administration have any kind of preparatory work to work directly with the T&I? Because that is an authorizing issue. We have to somehow streamline these processes for major capital programs.

Secretary LAHOOD. I talk to the chairman all the time, and also we are working with their staff. So we will continue to do that.

Mr. OLVER. Okay. I thank you for that.

I just also want to thank you very much for the rail money out of the recent announcement a couple of weeks ago, the announcement that involves Connecticut and Massachusetts and Vermont in the Connecticut River Valley. That is a very valuable program that I think much of it can be delivered within certainly '10 and '11 at least, and a large portion of the work will be done during this calendar year that we are in, and a good deal of time will be saved in the trip for people who are using that Amtrak corridor. So I greatly appreciate that.

Secretary LAHOOD. Thanks for your leadership in the area and in the region.

Mr. OLVER. I yield to Mr. Latham.

Mr. LATHAM. Thank you, Mr. Chairman.

I just want to say a lot of members here have said that you have come to their States. I haven't been with you in Iowa, and I don't think you have been with the chairman in Massachusetts, so we would invite you to join us.

Secretary LAHOOD. I have been to Iowa. I wasn't in your district.

Mr. LATHAM. What?

Secretary LAHOOD. I spent a half day in Dubuque, and that is where I learned about the new IBM employees in the millworks area. Whenever I am invited, Mr. Latham, I will be in your district.

Whenever I am invited, Mr. Olver, I will be in your district.

Mr. OLVER. I am hoping that I will be able to invite you after——

Secretary LAHOOD. When Mr. Rodriguez invited me to San Antonio, I came.

Mr. OLVER. We will see.

Finally, I just want to thank you for your very strong leadership in this field. And, really, if there is a little bit of testiness coming from members who have great concerns, it is not with you, not meant in any kind of a personal way. I am quite certain. And I want to thank you also for the steady communication with the subcommittee. It is very much appreciated.

Secretary LAHOOD. One of the values I bring to this job is I have sat in those chairs and I know that when Mr. LaTourette speaks, he speaks with great authority and great sincerity, and I wouldn't question his motives at all. I know that there is a great deal of frustration being expressed, and so we have our job to do, and we will continue to work with all of you on the way forward here.

Mr. OLVER. Thank you very much.

Secretary LAHOOD. Thank you.

Mr. OLVER. The hearing is adjourned.

Department of Transportation (DOT)
Fiscal Year 2011 Questions for the Record
Chairman John Olver
Subcommittee on Transportation, Housing and Urban Development, and Related Agencies
House Committee on Appropriations

General/Cross-Cutting

1. Please provide a list of all political appointments in the Department by modal administration and office. Please include the title, grade and salary of each position.

RESPONSE: The information follows.

FY 2010 authorization	Currently on board 5/21/10	FY 2011 proposed authorization
110	84	110

The following estimated 2010 salaries are based on either the current salary of encumbered positions, the statutory pay level for vacant PAS positions, the middle of the new senior executive pay range for vacant SES positions, and the middle of the pay range for vacant Schedule C positions at the grade at which the position was last filled, or is proposed.

OST		
Title	Grade	Salary
Secretary	EX-I	$199,700
Chief of Staff	NC-SES	$177,000
Deputy Chief of Staff	NC-SES	$172,000
Counselor to the Secretary	NC-SES	$150,960
Assistant to the Secretary for Policy-vacant	NC-SES	$149,625
White House Liaison	GS-15	$127,883
Director of Scheduling and Advance	GS-15	$127,883
Scheduler	GS-9	$ 51,630
Special Assistant for Scheduling and Advance	GS-9	$ 53,350
Special Assistant for Scheduling and Advance	GS-9	$ 51,630
Special Assistant for Scheduling and Advance	GS-7	$ 42,209
Policy Assistant-vacant	GS-15	$140,259
Deputy Secretary	EX-II	$179,700
Counselor to the Deputy Secretary-vacant	NC-SES	$149,625
Special Assistant	GS-9	$ 51,630
Under Secretary of Transportation for Policy	EX-II	$179,700
Counselor to the Under Secretary-vacant	NC-SES	$149,625
Special Assistant to the Under Secretary-vacant	GS-9	$ 58,511
Director, Executive Secretariat	NC-SES	$127,500

Director, Office of Civil Rights	NC-SES	$127,500
Director, Office of Small & Disadvantaged Business Utilization	NC-SES	$127,440
Chief Information Officer	NC-SES	$145,000
Associate Director for IT Strategy and Technology Projects	GS-13	$ 89,033
Assistant to the Secretary and Director of Public Affairs	NC-SES	$155,500
Deputy Director of Public Affairs	GS-15	$127,883
Press Secretary	GS-11	$ 62,467
Deputy Press Secretary	GS-9	$ 51,630
Associate Director for Public Liaison-vacant	GS-14	$119,238
Director for Speechwriting	GS-15	$123,758
Speechwriter-vacant	GS-13	$100,904
Assistant Secretary for Budget and Programs/CFO	EX-IV	$155,500
Deputy Assistant Secretary for Management and Budget	GS-15	$123,758
General Counsel	EX-IV	$155,500
Deputy General Counsel	NC-SES	$145,000
Counselor to the General Counsel	GS-15	$123,758
Assistant Secretary for Governmental Affairs	EX-IV	$155,500
Deputy Assistant Secretary for Governmental Affairs	GS-15	$127,883
Deputy Assistant Secretary for Governmental Affairs	GS-15	$123,758
Deputy Assistant Secretary for Governmental Affairs	GS-15	$123,758
Deputy Assistant Secretary for Tribal Affairs-vacant	GS-15	$140,259
Associate Director for Governmental Affairs	GS-12	$ 74,872
Associate Director for Governmental Affairs	GS-11	$ 62,467
Associate Director for Governmental Affairs	GS-9	$ 51,630
Associate Director for Governmental Affairs	GS-7	$ 42,209
Associate Director for Governmental Affairs-vacant	GS-9	$ 58,511
Assistant Secretary for Transportation Policy	EX-IV	$155,500
Deputy Assistant Secretary for Transportation Policy	NC-SES	$127,500
Deputy Assistant Secretary for Transportation Policy-vacant	NC-SES	$149,625
Transportation Disability Policy Advisor-vacant	GS-15	$140,259
Counselor to the Assistant Secretary-vacant	GS-15	$140,259
Special Assistant for Transportation Policy-vacant	GS-9	$ 58,511
Assistant Secretary for Aviation and International Affairs	EX-IV	$155,500
Deputy Assistant Secretary for Aviation and International Affairs	NC-SES	$127,500
Counselor to the Assistant Secretary-vacant	GS-15	$140,259
OIG		
Title	Grade	Salary
Inspector General	EX-IV	$170,259
FAA		
Title	Grade	Salary
Administrator, FAA	EX-II	$179,700
Deputy Administrator-vacant	EX-IV	$155,500
Chief Counsel	FAA Exec	$145,000

Assistant Administrator for Aviation Policy, International Affairs and Environment-vacant	FAA Exec	$140,000

Associate Administrator for Airports-vacant	FAA Exec	$149,625
Assistant Administrator for Government & Industry Affairs	GS-15	$123,758
Deputy Assistant Administrator for Govt. & Industry Affairs-vacant	GS-14	$119,238
Assistant Administrator for Communications	GS-15	$140,259
Deputy Assistant Administrator for Communications-vacant	GS-14	$119,238
FHWA		
Title	Grade	Salary
Administrator, FHWA	EX-II	$179,700
Deputy Administrator	NC-SES	$150,000
Chief Counsel	NC-SES	$145,000
Associate Administrator for Public Affairs	NC-SES	$135,000
Associate Administrator for Policy and Governmental Affairs	GS-14	$105,211
Special Assistant to the Administrator-vacant	GS-9	$ 58,511
FRA		
Title	Grade	Salary
Administrator, FRA	EX-III	$165,300
Deputy Administrator	NC-SES	$152,300
Director of Public Affairs	GS-15	$127,883
Director of Congressional Affairs	GS-15	$123,758
Special Assistant to the Administrator	GS-7	$ 43,616
NHTSA		
Title	Grade	Salary
Administrator, NHTSA	EX-III	$165,300
Deputy Administrator	NC-SES	$150,000
Chief Counsel	NC-SES	$145,000
Chief of Staff-vacant	NC-SES	$149,625
Director of Governmental Affairs	GS-15	$123,758
Director of Communications	GS-15	$123,758
Special Assistant to the Administrator-vacant	GS-9	$ 58,511
FMCSA		
Title	Grade	Salary
Administrator, FMCSA	EX-III	$165,300
Deputy Administrator	NC-SES	$150,000
Chief Counsel	NC-SES	$145,000
Director of Communications	GS-14	$105,211
Associate Director for Governmental Affairs	GS-11	$ 62,467
FTA		
Title	Grade	Salary
Administrator, FTA	EX-III	$165,300
Deputy Administrator	NC-SES	$150,000
Chief Counsel	NC-SES	$145,000
Associate Administrator for Communications and	GS-14	$105,211

Legislative Affairs		
Special Assistant to the Administrator	GS-9	$ 51,630
RITA		
Title	Grade	Salary
Administrator, RITA	EX-III	$165,300
Deputy Administrator	NC-SES	$150,000
Chief Counsel	NC-SES	$145,000
Director, Office of Congressional, International, and Public Affairs	GS-15	$123,758
PHMSA		
Title	Grade	Salary
Administrator, PHMSA	EX-III	$165,300
Deputy Administrator-vacant	NC-SES	$149,625
Chief Counsel	NC-SES	$145,000
Associate Administrator for Governmental, International, and Public Affairs-vacant	GS-15	$140,259
SLSDC		
Title	Grade	Salary
Administrator, SLSDC	EX-IV	$155,500
MARAD		
Title	Grade	Salary
Administrator, MARAD-vacant	EX-III	$165,300
Deputy Administrator	NC-SES	$150,000
Chief Counsel	NC-SES	$145,000
Senior Advisor on Maritime Policy	NC-SES	$150,000
Director, Office of Congressional and Public Affairs	GS-14	$105,211
Special Assistant to the Administrator-vacant	GS-9	$ 58,511
STB		
Title	Grade	Salary
Chairman, STB	EX-III	$165,300
Vice-Chairman	EX-IV	$155,500
Board Member	EX-IV	$155,500

2. Please provide a table with the number of political appointees by modal administration and office for the last five years.

RESPONSE: The information follows.

OFFICE OF THE SECRETARY

Fiscal Year	Presidential	Non-Career SES	Schedule C
2006	5	10	22
2007	7	14	24
2008	6	13	26

2009	8	10	21
2010	8	11	21

OFFICE OF THE INSPECTOR GENERAL

Fiscal Year	Presidential	Non-Career SES	Schedule C
2006	0	0	0
2007	1	0	0
2008	1	0	0
2009	1	0	0
2010	1	0	0

FEDERAL AVIATION ADMINISTRATION

Fiscal Year	Presidential	FAA Executives	Schedule C
2006	2	4	0
2007	1	5	1
2008	1	4	3
2009	1	1	1
2010	1	1	2

FEDERAL HIGHWAY ADMINISTRATION

Fiscal Year	Presidential	Non-Career SES	Schedule C
2006	1	3	1
2007	1	3	0
2008	1	4	1
2009	1	3	1
2010	1	3	1

FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION

Fiscal Year	Presidential	Non-Career SES	Schedule C
2006	1	2	1
2007	1	2	2
2008	1	2	2
2009	0	0	1
2010	1	2	2

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

Fiscal Year	Presidential	Non-Career SES	Schedule C
2006	1	1	4
2007	1	2	4
2008	0	3	2
2009	0	1	0
2010	1	2	2

FEDERAL RAILROAD ADMINISTRATION

Fiscal Year	Presidential	Non-Career SES	Schedule C
2006	1	1	2
2007	1	1	2
2008	1	1	2
2009	1	1	2
2010	1	1	3

FEDERAL TRANSIT ADMINISTRATION

Fiscal Year	Presidential	Non-Career SES	Schedule C
2006	1	3	1
2007	1	3	1
2008	1	3	1
2009	1	1	1
2010	1	2	2

RESEARCH AND INNOVATIVE TECHNOLOGY ADMINISTRATION

Fiscal Year	Presidential	Non-Career SES	Schedule C
2006	0	2	1
2007	1	2	1
2008	1	2	0
2009	1	1	0
2010	1	2	1

PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION

Fiscal Year	Presidential	Non-Career SES	Schedule C
2006	1	2	1
2007	0	2	1
2008	1	2	1
2009	0	0	0
2010	1	1	0

SAINT LAWRENCE SEAWAY DEVELOPMENT CORP

Fiscal Year	Presidential	Non-Career SES	Schedule C
2006	0	0	0
2007	1	0	0
2008	1	0	0
2009	1	0	0
2010	1	0	0

SURFACE TRANSPORTATION BOARD

Fiscal Year	Presidential	Non-Career SES	Schedule C
2006	3	0	0
2007	3	0	0
2008	3	0	0
2009	3	0	0
2010	3	0	0

MARITIME ADMINISTRATION

Fiscal Year	Presidential	Non-Career SES	Schedule C
2006	1	1	1
2007	1	2	2
2008	1	1	2
2009	0	2	0
2010	0	3	1

3. Please provide a list of all vacant political appointee positions. Also, please indicate if any of these are new positions and if so, why the Department believes that they are necessary.

RESPONSE: In the following table, the PAS salaries are based on the statutory pay level. The SES salaries are based on the middle of the new senior executive pay range, or a salary determined for the proposed incumbent. The GS salaries are based on the middle of the range (step 5) for each grade (as previously encumbered), or as proposed.

The information follows.

Vacant political positions – as of May 21, 2010

Title	*Grade*	*Salary*	*New Positions*
Office of the Secretary			
Assistant to the Secretary for Policy	NC-SES	$149,625	
Policy Assistant	GS-15	$140,259	
Counselor to the Deputy Secretary	NC-SES	$149,625	
Counselor to the Under Secretary	NC-SES	$149,625	
Special Assistant to the Under Secretary	GS-9	$58,511	
Associate Director for Public Liaison	GS-14	$119,238	
Speechwriter	GS-13	$100,904	
Deputy Assistant Secretary for Tribal Affairs	GS-15	$140,259	***New position–authorized by SAFETEA-LU to ensure the rights of a tribe or individual Indian are protected***
Associate Director for Governmental Affairs	GS-9	$58,511	
Deputy Assistant Secretary for Transportation Policy	NC-SES	$149,625	
Transportation Disability Policy Advisor	GS-15	$140,259	***New position-a national focus on transportation disability issues***
Counselor to the Assistant Secretary	GS-15	$140,259	
Special Assistant for Transportation Policy	GS-9	$58,511	
Counselor to the Assistant Secretary	GS-15	$140,259	
Federal Aviation Administration			
Deputy Administrator	EX-IV	$155,500	
Assistant Administrator for Aviation Policy,	FJ-0	$140,000	
Associate Administrator for Airports	FJ-0	$149,625	
Deputy Assistant Administrator for Government and Industry Affairs	GS-14	$119,238	
Deputy Assistant Administrator for Communications	GS-14	$119,238	
Federal Highway Administration			
Special Assistant to the Administrator	GS-9	$58,511	
National Highway Traffic Safety Administration			
Chief of Staff	NC-SES	$149,625	
Special Assistant to the Administrator	GS-9	$58,511	
Pipeline and Hazardous Materials Safety Administration			
Deputy Administrator	NC-SES	$149,625	
Associate Administrator for Governmental, International, and Public Affairs	GS-15	$140,259	
Maritime Administration			
Administrator	EX-III	$165,300	
Special Assistant to the Administrator	GS-9	$58,511	

4. Please provide a list of the number of SES employees currently on board by modal administration and office. In addition, please distinguish how many are career and political.

RESPONSE: The information follows. Note: The non-career appointments do not include PAS positions.

SES Employees by Modal Administration and Office	**Total On Board as of 5/18/2010**	**Career Appointment**	**Non-career Appointment**
Immediate Office of the Secretary	3	0	3
Executive Secretariat (S10)	1	0	1
Office of Civil Rights (S30)	2	1	1
Office of Small and Disadvantaged Business Utilization (S40)	1	0	1
Office of Intelligence and Security	2	2	0
Office of the Chief Information Officer (S80)	5	4	1
Assistant Secretary for Budget and Programs (B)	4	4	0
General Counsel (C)	9	8	1
Assistant to the Secretary and Director of Public Affairs (A)	1	0	1
Assistant Secretary For Governmental Affairs (I)	0	0	0
Assistant Secretary For Transportation Policy (P)	4	3	1
Assistant Secretary For Aviation & International Affairs (X)	5	4	1
Assistant Secretary For Administration (M)	6	6	0
Subtotal for Office of the Secretary	**43**	**32**	**11**
Federal Highway Administration	52	49	3
Federal Motor Carrier Safety Administration	15	13	2
Federal Railroad Administration	14	13	1
Federal Transit Administration	15	13	2
Maritime Administration	15	12	3
National Highway Traffic Safety Administration	25	23	2

Office of Inspector General*	0	0	0
Pipeline and Hazardous Materials Safety Administration	8	7	1
Research and Innovative Technology Administration	12	10	2
Saint Lawrence Seaway Development Corporation	2	2	0
Surface Transportation Board	6	6	0
Subtotal for Modal Administrations	**164**	**148**	**16**
Total onboard strength	**207**	**180**	**27**

5. Please provide a table of funding for SES awards by modal administration for the last five years.

RESPONSE: The information follows.

	2005 (actual)	2006 (actual)	2007 (actual)	2008 (actual)	2009 (actual)
Office of the Secretary	$174,820	$240,017	$275,475	$297,821	$258,266
Office of the Inspector General*	$73,000	$77,536	$79,858	$84,764	$77,733
Federal Highway Administration	$246,250	$280,500	$210,086	$300,529	$303,899
Federal Motor Carrier Safety Administration	$55,000	$68,150	$74,226	$87,573	$105,766
Federal Railroad Administration	$80,500	$111,957	$86,579	$120,438	$111,762
National Highway Traffic Safety Administration	$139,280	$144,952	$181,335	$205,072	$215,012
Federal Transit Administration	$94,542	$75,339	$89,837	$109,650	$99,012
Saint Lawrence Seaway Development Corporation	$0	$0	$9,923	$15,249	$8,050
Maritime Administration	$69,000	$56,086	$96,486	$117,339	$113,010
Research and Special Programs Administration **	$60,280	-	-	-	-
Bureau of Transportation Statistics **	$0	-	-	-	-
Pipeline and Hazardous Materials Safety Administration	-	$43,298	$34,100	$46,253	$17,898
Research and Innovative Technology Administration	-	$62,049	$66,740	$87,891	$60,476
Surface Transportation Board	$0	$0	$0	$0	$0

* With the passing of the Inspector General Reform Act of 2008 the Office of the Inspector General became an independent organization on April 14, 2009 and has a separate budget and line items. OPM provides their allocations directly to the Office of the Inspector General and they manage their onboard strength. Through FY 2009 the OIG is operating under the DOT SES certified systems and the bonus amounts were reported to the Executive Resources Board.

**The Norman Y. Mineta Research and Special Programs Improvement Act (February 2005) created the Pipeline and Hazardous Materials Safety Administration and the Research and Innovative Technology Administration. The functions of the former Research and Special Programs Administration, the Bureau of Transportation Statistics, and the Office of Intermodalism (Office of the Secretary) are included in these two Administrations.

6. Please detail the steps the Department is taking to ensure that hiring is done quickly and efficiently. Please provide the average length of time from the posting of job announcement to when the position is filled.

RESPONSE: The Department of Transportation implemented the following actions:

- Developed an Action Plan for addressing barriers in the hiring process. Included the plan in the Human Capital Management Report.
    - Created "To-Be" Hiring Process Map
    - Streamlined Job Opportunity Announcements
    - The Director, Office of Departmental Human Resource Management, sent out guidance and briefed the HR Directors
    - Provided training to the HR community. Training addressed Action Plan, "To-Be" Hiring Process Map and Quarterly Reports
- Created a Hiring Reform Implementation Team. This team is developing further guidance, tools and communications. Team includes the following sub-teams: Communication; Policy and Procedures; and Accountability.
- Deputy Secretary issued a memo and met with Deputy Administrators. Highlights of the memo include:
    - Target: DOT is targeting a 15 percent reduction in our hiring process time by Sept 30th while improving the hiring manager's and applicants' experience.
    - Actions: The Deputy Secretary has outlined 6 key steps, effective immediately, to achieve DOT's targets, involving:
        - Meeting the government-wide 80-day hiring standard.
        - Limiting external job announcement postings to 7-16 calendar days unless there are extenuating business circumstances
        - Returning hiring certificates in 30 calendar days or less which is a major culture change for many OAs
        - Completing OPM's Hiring Manager Satisfaction Survey
        - Processing the Personnel Security Action Request and Notification form before the final offer is tendered
        - Going Paperless by June 30th

- The average length of time that it takes from the posting of a job announcement to when the position is filled is 128 days. That is derived from DOT's 14-step hiring process which starts with validating the need to fill a position and ends with the selected applicant entering on duty. Posting the job announcement is step 5 of DOT's hiring process. DOT's average total hiring process time is 167 days based on FY 2009 data.

7. On average, what has been the time difference between retirement eligibility and retirement for the DOT workforce? Please provide the information for the previous four fiscal years.

RESPONSE: Over the past four fiscal years, DOT employees have worked on average 3 years and 9 months past the date they became retirement eligible.

FY 2009 – 3 years 6 months past retirement eligible
FY 2008 – 3 years 7 months past retirement eligible

FY 2007 – 4 years past retirement eligible
FY 2006 – 3 years 11 months past retirement eligible

8. Please provide a table showing new programs and program terminations in the Department's FY 2011 budget request.

RESPONSE: The information is provided in the following table.

Program	**2010 Enacted $M**	**2011 Request $M**	**Change from 2010**	**Justification**
NEW PROGRAMS				
National Infrastructure Innovation and Finance Fund	$ 0	$ 4,000	$ 4,000	I-Fund will issue competitive grants and loans to support transportation projects that provide a significant economic benefit to the Nation or a region.

FHWA-Competitive Livable Communities Grant Program	$ 0	$ 200	$ 200	This program will issue competitive grants that support State and local efforts to integrate transportation, land use, and housing development considerations into transportation planning and fund projects which protect the environment and promote increased transportation choice in urban and rural communities.
NHTSA-Distracted Driver Program	$ 0	$ 50	$ 50	This will promote laws to curtail unsafe cell phone use and eliminate texting while driving.
FTA-Transit Rail Safety Oversight	$ 0	$ 30	$ 30	This will fund new authority for safety oversight and enforcement of rail transit operations in public transit systems not under the safety jurisdiction of the Federal Railroad Administration.
OST-Cyber Security	$ 0	$ 30	$ 30	This will strengthen DOT's response to cyber security threats, enhance privacy and facilitate adoption of Web 2.0.
OST-Livable Communities	$ 0	$ 20	$ 20	This will provide technical assistance and grants to build State and local capacity for performance measurement and community outreach on livability development.
Subtotal		$ 4,330	$ 4,330	
PROGRAM TERMINATIONS				

FRA Rail Line Relocation Program	$ 34	0	-$ 34	Duplicative of the $220M per year highway program for improving highway-rail grade crossings, a subset of a $1.4 billion highway safety program.

Surface Transportation Priorities	$ 293	0	-$ 293	Annual formula grant funding is available for same purposes, and is allocated via well-established state planning procedures.
Subtotal	$ 337	0	-$ 337	
TOTAL	$ 337	$ 4,330	$ 3,993	

9. Please update the table on page 214 of House Report 111-218 for DOT programs.

RESPONSE: The update is provided in the following table.

Appropriations Not Authorized by Law

[Dollars in thousands]

Program	Last year of authorization	Authorization level	Annualization of Authorized Levels	FY 2010 Enacted	FY 2011 Request	Comments
Federal Aviation Administration:						
Operations 1/	2010	$7,070,158	$9,353,149	$9,350,028	$9,793,000	Reflects authorized funding through July 3, 2010.
Facilities and Equipment 1/	2010	$2,220,252	$2,933,777	$2,936,203	$2,970,000	Reflects authorized funding through July 3, 2010.
Research, Engineering and Development 1/	2010	$144,049	$185,000	$190,500	$190,000	Reflects authorized funding through July 3, 2010.
Grants-in-Aid for Airports 1/	2010	$3,024,658	$4,000,000	$3,515,000	$3,515,000	Reflects authorized funding through July 3, 2010.
Federal Highway Administration:						
Federal-aid Highways 2/	2011	$10,575,788	$42,303,152	$41,107,000	$41,362,775	Reflects authorized funding through December 31, 2010.

Federal Motor Carrier Safety Administration:						
Motor Carrier Safety Operations and Programs 2/	2011	$61,036	$239,828	$239,828	$259,878	Reflects authorized funding through December 31, 2010.
Motor Carrier Safety Grants 2/	2011	$77,379	$307,000	$310,070	$310,070	Reflects authorized funding through December 31, 2010.
National Highway Traffic Safety Administration:						
Operations and Research—General Fund	2009	$157,400	---	$140,427	$132,837	
Operations and Research—Highway Trust Fund 2/	2011	$27,061	$107,329	$105,500	$117,376	Reflects authorized funding through December 31, 2010.
National Driver Register—General Fund	---	---	---	$3,350	$2,530	

National Driver Register—Highway Trust Fund 2/	2011	$1,029	$4,078	$4,000	$4,170	Reflects authorized funding through December 31, 2010.
Highway Traffic Safety Grants 2/	2011	$156,582	$626,047	$619,500	$620,697	Reflects authorized funding through December 31, 2010.
Federal Railroad Administration:						
Grade Crossings on Designated Corridors	---	---	---	$15,000	$0	
Rail Line Relocation	2009	$350,000	---	$34,532	$0	
Federal Transit Administration:						
Administrative Expenses 2/	2011	$24,728	$98,911	$98,911	$113,559	Reflects authorized funding through December 31, 2010.
Formula & Bus Grants 2/	2011	$2,090,141	$8,360,565	$8,343,171	$8,271,700	Reflects authorized funding through December 31, 2010.

Livable Communities – HTF	- - -	- - -	- - -	- - -	$306,905	
Greenhouse Gas & Energy Reduction – HTF	- - -	- - -	- - -	- - -	$52,743	
Research and University Research Centers 2/	2011	$17,438	$69,750	$65,670	$29,729	Reflects authorized funding through December 31, 2010.
Capital Investment Grants 2/	2011	$500,000	$2,000,000	$2,000,000	$1,822,112	Reflects authorized funding through December 31, 2010.
Maritime Administration:						
Operations and Training	2010	$152,900	- - -	$149,750	$164,353	
Ship Disposal	2010	$15,000	- - -	$15,000	$10,000	
Maritime Security	2010	$174,000	- - -	$174,000	$174,000	
Title XI	2010	$64,000	- - -	$9,000	$3,688	

Pipeline and Hazardous Materials Safety Administration:						
Hazardous Materials Safety	2009	$32,000	---	$37,994	$40,434	
Pipeline Safety	2010	$96,580	---	$105,239	$111,111	
Research and Innovative Technology Administration:						
Research and Development	---	---	---	$13,007	$17,200	
Surface Transportation Board:						
Surface Transportation Board	1998	$12,000	---	$27,816	$24,738	

1/ P.L. 111-161 authorizes FAA programs through July 3, 2010.

2/ P.L. 111-147 ("HIRE" Act) provides contract authority for surface transportation programs through December 31, 2010.

10. In table format, please list all reports due to the Committee for fiscal year 2010, their delivery dates, and actual delivery dates. For any reports that were late, please explain why the reports were late.

RESPONSE: The information is provided in the following tables.

Office of the Secretary

Report Title	Synopsis	Legislative Source	Original Due Date	Expected Date to Congress	Status
Sole Source Contracts	All Federal agencies shall issue a report no later than July 31, 2010 to the House and Senate Committees on Appropriations on all sole source contracts. Such report shall include the contractor, the amount of the contract and the rationale for using a sole source contract.	FY 2010 H.R. # 3288 Section 407	07/31/2010	07/31/2010	In Agency
FY 2010 Operating Plan	The Committee directs the Department of Transportation to submit operating plans, signed by the secretary for the Committee's review within 60 days of the bill's enactment.	FY 2010 H.R. # 3288 Section 405	02/12/2010	02/12/2010	Sent to Hill 2/12/2010
Missouri/Mississippi River Study	DOT, with the Departments of Energy, Commerce and Agriculture shall analyze the full value of river flow support to users in the Mississippi and Missouri Rivers, including hydropower and generation cooling, water transport and water users throughout the river basins. DOT, with the appropriate Federal partners shall recommend ways to minimize impediments to growth and maximize water value of benefits related to energy production, congestion relief, trade and transport efficiency, and air quality. DOT shall provide its analysis and recommendations to the U.S. Army Corps of Engineers, the White House, and Congress.	FY 2010 Appropriations Act P.L. 111-117 Section 195	Not specified	N/A	In Agency

Federal Highways Administration

Report Title	Synopsis	Legislative Source	Original Due Date	Expected Date to Congress	Status
Buy America Waivers (FY 2010 Annual Report)	*Secretary* to submit an annual report to Congress on waivers of the Buy America provision of Federal-aid law. Section 117 of the SAFETEA-LU Technical Corrections Act requested a similar report on waivers.	FY 2010 Appropriations Act P.L. 111-117 Admin Provision #123 Pg. 15	No Due Date Specified	9/30/2010	In OST Clearance The previous report was submitted to Congress on 3/4/2010.
Vermont Pilot Program - Interim	*Secretary* to submit a report on the impact to date of the pilot program on bridge safety and weight impacts.	FY 2010 House Conf. Report #111-366 DOT GP #194 Pg. 430	6 months after enactment	7/16/2010	In FHWA

Vermont Pilot Program - Final	*Secretary* to submit a report on the effects of the Vermont Pilot Program concerning vehicle weight limitations.	FY 2010 Appropriations Act P.L. 111-117 DOT GP #194 Pg. 40	Two years after enactment	12/16/2011	In FHWA
Ensuring Success of Mass Evacuations	*DOT* to assess mass evacuation plans for the country's most high-threat, high-density areas and identify and prioritize deficiencies on those routes that could impede evacuations. DOT also to analyze how highway system projects under construction west of the NCR could increase the evacuation capacity and provide a plan to accelerate those projects.	FY 2010 House Conf. Report #111-366 Pg. 394	90 days after enactment	6/8/2010	In OST Clearance On 3/22/10, a letter was sent to Congress advising them that the report would be late.

National Highway Traffic Safety Administration

Report Title	Synopsis	Legislative Source	Original Due Date	Expected Date to Congress	Status
Consumer Assistance to Recycle and Save Act	NHTSA shall provide a report to the House and Senate Committees on Appropriations which details how the agency spent the administrative funding provided in the CARS Act for the implementation of the program, including staffing, market and outreach, and information services.	FY2010 P.L. 111-218 Pg: 83	01/04/2010	01/04/2010	Completed. Sent to Congress 12/31/2009.

Federal Motor Carriers Safety Administration

Report Title	Synopsis	Legislative Source	Original Due Date	Expected Date to Congress	Status
Safety and Security of the Southern Border 2010 Annual Report	Secretary to submit a report on the safety and security of transportation into the U.S. by Mexico-domiciled motor carriers.	FY 2010 P.L. 111-117 Pg: 20 Date: 12/16/09	No Due Date Specified	6/30/11	In Agency
High-Risk Carriers Semiannual Report - FY 2010 Part I	The FMCSA shall transmit to Congress a report on 3/30/10 and 9/30/10 on the agency's ability to meet its requirement to conduct compliance reviews on high-risk carriers.	FY 2010 P.L. 111-117 Pg: 18 Date: 12/16/09	3/30/10	5/31/10	This report has required additional time for review.
On Board Data Recorders Incentives and Metrics Report	FMCSA to report to the Committees on Appropriation 90 days after enactment of this Act on the specific actions the agency will take to incentivize industry-wide use of EOBR and the metrics that will be used to measure the adoption of EOBRs installation.	FY 2010 House Conf. Report #111-366 Pg: 19 Date: 12/8/09	3/16/10	6/30/10	The complexity of this issue required more time than the 90 days allotted.

On Board Data Recorders Incentives and Metrics Review Report	FMCSA to report by October 1, 2010, on the success of the agency's efforts to incentivize EOBR adoption, including a review of the agency's metrics.	FY 2010 House Conf. Report #111-366 Pg: 19 Date: 12/8/09	10/1/10	10/1/10	In Agency
Comprehensive Safety Analysis 2010 Phase I Results Report	FMCSA to submit a report regarding the results of Phase I of the pilot and any preliminary results of Phase II. The report should also include an update to the spend plan required in fiscal year 2009.	FY 2010 S. R. # 111-69 Pg: 59 Date: 8/5/09	3/15/10	6/30/10	In Agency
Creating Opportunities, Methods, and Practices to Secure Safety Program Updated Spend Plan Report	FMCSA to submit an updated spend plan for the COMPASS Program.	FY 2010 S. R. # 111-69 Pg. 62 Date: 8/5/09	5/1/10	6/30/10	In Agency

Federal Transit Administration

Report Title	Synopsis	Legislative Source	Original Due Date	Expected Date to Congress	Status
Project and Financial Management Oversight Activities (FY 2010 -- Qtrly)	FTA to submit quarterly reports to Appropriations Committees, IG and GAO on financial management oversight (FMO) and project management oversight (PMO) for each project with a full funding grant agreement.	FY 2010 S. R. # 111-69 Pg: 81	07/30/2010	07/30/2010	In Agency. Report is ongoing as quarterly submissions are required. FTA submits the FMO and PMO reports approximately 30-days after the end of the quarter for each project with a full funding grant agreement.

New Starts Project Updates FY 2010	FTA to continue monthly New Starts project update detailing the status of each project, including all projects with a full funding grant agreement.	FY 2010 H. R. # 111-218 Pg: 124 S. R. # 111-69 Pg: 81	Every Month	05/10/2010	Completed. The last meeting was held on 5/10/2010. Report is ongoing. FTA is continuing to hold monthly meetings the first Friday of every month with House and Senate Appropriations staff on the progress of its work.
Improving the Use of Asset Management Practices Among Transit Agencies	FTA is directed to report its findings on a pilot program, within 18-months of enactment, designed to identify the best practices of asset management, to the House and Senate Committees on Appropriations.	FY 2010 S. R. # 111-69 Pg: 88	06/16/2011	06/16/2011	In Agency.
Transit Research Projects from FY 2009 and FY 2010	FTA is directed to provide a report describing all FTA-sponsored research projects from FY 2009 and FY 2010.	FY 2010 H. R. # 111-218 Pg: 119	5/15/2010	6/30/2010	In Agency.
New Starts: Annual Report FY 2011	FTA to submit Annual New Starts Report with the FY 2011 President's Budget to Congress.	FY 2010 (Pub. Law 111-117) H.R. # 3288 Pg: 29	02/01/2010	02/02/2010	Completed. Sent to Congress 02/02/2010.

Rail Safety Recommendations FY 2010	FTA is directed to transmit to the House and Senate Committee on Appropriations, the House Committee on Transportation and Infrastructure, and the Senate Committee on Banking Housing, and Urban Affairs a report outlining these recommendations and a plan for their implementation by the Department of Transportation no later than 45 days after enactment of this Act.	FY 2010 (Pub. Law 111-117) H.R. # 3288 Pg: 32	01/29/2010	12/7/2009	Completed. Proposed Safety Legislation submitted on December 7, 2009, fulfills Congressional request.

Maritime Administration

Report Title	Synopsis	Legislative Source	Original Due Date	Expected Date to Congress	Status
Report on GAO Recommendations for the United States Merchant Marine Academy	MARAD, in consultation with OST, shall submit a report to the House and Senate Committees on Appropriations, the House Committee on Armed Services, and the Senate Committee on Commerce, Science and Transportation within three months of enactment identifying actions taken to implement each GAO recommendation. The report should also contain any additional information OST, MARAD, and the Academy have taken to strengthen financial management at the Academy.	FY 2010 Conference Report # 111-366 Pg: 425 Date: 12/16/2010	03/16/2010	06/30/2010	The Department required additional time to review the report.
Report on Midshipmen Fees	MARAD shall in consultation with OST, submit a report to the House and Senate Committees on Appropriations, the House Committee on Armed Services, and the Senate Committee on Commerce, Science and Transportation within one month of enactment detailing the costs, use, and authorization of Midshipman fees. The report should include a plan for annually presenting and justifying Midshipman fees to ensure transparency.	FY 2010 Conference Report # 111-366 Pg: 425 Date: 12/16/2010	01/16/2010	04/27/2010	Sent to Congress (04/27/2010)

Federal Railroad Administration

Report Title	Synopsis	Legislative Source	Original Due Date	Expected Date to Congress	Status
Amtrak - On-time Performance Report	The FRA Administrative Provisions, section 154 "retains the provision requiring the Administrator of the FRA to submit quarterly reports, to the Committees on Appropriations detailing the Administrator's efforts at improving Amtrak on-time performance." The Administrator of the Federal Railroad Administration shall submit quarterly reports detailing the Administrator's efforts at improving the on-time performance of Amtrak intercity rail service operating on non-Amtrak owned property. Such reports shall compare the most recent actual on-time performance data to pre-established on-time performance goals that the Administrator shall set for each rail service, identified by route. Such reports shall also include whatever other information and data regarding the on-time performance of Amtrak trains the Administrator deems to be appropriate. This provision removes $100,000 per day fine to the funds provided to the Office of the Secretary.	FY 2010 H. R. # 111-218 Section 154 Pg: 102 Date: 07/23/2009	07/01/2010	07/01/2010	In Agency - On schedule to meet this due date.

Amtrak - On-time Performance Report	The FRA Administrative Provisions, section 154 "retains the provision requiring the Administrator of the FRA to submit quarterly reports, to the Committees on Appropriations detailing the Administrator's efforts at improving Amtrak on-time performance." The Administrator of the Federal Railroad Administration shall submit quarterly reports detailing the Administrator's efforts at improving the on-time performance of Amtrak intercity rail service operating on non-Amtrak owned property. Such reports shall compare the most recent actual on-time performance data to pre-established on-time performance goals that the Administrator shall set for each rail service, identified by route. Such reports shall also include whatever other information and data regarding the on-time performance of Amtrak trains the Administrator deems to be appropriate. This provision removes $100,000 per day fine to the funds provided to the Office of the Secretary.	FY 2010 H. R. # 111-218 Section 154 Pg: 102 Date: 07/23/2009	10/01/2010	10/01/2010	In Agency - On schedule to meet this due date.

Amtrak - On-time Performance Report	The FRA Administrative Provisions, section 154 "retains the provision requiring the Administrator of the FRA to submit quarterly reports, to the Committees on Appropriations detailing the Administrator's efforts at improving Amtrak on-time performance." The Administrator of the Federal Railroad Administration shall submit quarterly reports detailing the Administrator's efforts at improving the on-time performance of Amtrak intercity rail service operating on non-Amtrak owned property. Such reports shall compare the most recent actual on-time performance data to pre-established on-time performance goals that the Administrator shall set for each rail service, identified by route. Such reports shall also include whatever other information and data regarding the on-time performance of Amtrak trains the Administrator deems to be appropriate. This provision removes $100,000 per day fine to the funds provided to the Office of the Secretary.	FY 2010 H. R. # 111-218 Section 154 Pg: 102 Date: 07/23/2009	01/01/2011	01/01/2011	In Agency - On schedule to meet this due date.
High-speed Rail Investments	FRA is directed to submit to a report which describes how the investments made with funding provided in the bill will contribute to furthering the national rail plan. This report shall include a discussion of what actions FRA is taking to establish standards for high-speed rail corridors and how the agency will prioritize funding for corridors across the country. These standards shall address such issues as expected ridership, project cost, public benefits (including benefits to non-riders resulting from reductions in congestion), trip time, frequency of service, reliability, and safety. FRA shall submit this report no later than 180 days after enactment of the act.	FY 2010 S. R. # 111-69 Pg: 78-79 Date: 09/17/2009	06/14/2010	09/16/2010	In Agency - FRA proposes to address these criteria in the National Rail Plan.

Office of the Secretary

Salaries and Expenses

11. Please provide a chart detailing for each office within the Office of the Secretary the number of FTE funded by Salaries and Expenses and the number FTE funded by program dollars for FY 2008 through FY 2011.

RESPONSE: The information follows.

	FY 2008 ACTUAL	FY 2009 ACTUAL	FY 2010 ENACTED	FY 2011 REQUEST		
Salaries and Expenses - Annual Direct	353	364	460	493		
Salaries and Expenses - Annual Reimbursable	23	23	32	31		
Subtotal Salaries and Expenses	**376**	**387**	**492**	**524**		
Transportation Planning, Research and Development	27	22	31	32		
Office of Civil Rights	42	43	55	55		
Minority Business Outreach	1	1	1	2		
Minority Business Resource Center Program	1	1	1	1		
Essential Air Service	9	9	14	14		
Financial Management Capital	0	0	0	1.5		
ARRA-National Surface Transportation System	0	0	3	3		
National Infrastructure Investment	0	0	7	14		
Livable Communities	0	0	0	5		
Cyber Security Initiative	0	0	0	13		
Essential Air Service	0	0	0	0		
Working Capital Fund	172	179	213	260		
Subtotal Programs	**251**	**255**	**325**	**401**		
TOTAL FTEs	**628**	**642**	**817**	**925**		

12. Please provide a list of the actual FY 2009 FTE for each office and program area within the Office of the Secretary.

RESPONSE: The information follows.

TOTAL FULL-TIME EQUIVALENTS FOR FY 2009	
DIRECT FUNDED BY APPROPRIATION	**FY 2009 ACTUAL**
Salaries and Expenses	364
Immediate Office of the Secretary	*13*
Office of the Deputy Secretary	*3*
Executive Secretariat	*12*
Office of the Under Secretary of Transportation for Policy	*76*
Office of Small and Disadvantaged Business Utilization	*8*
Office of Intelligence, Security, and Emergency Response	*27*
Office of the Chief Information Officer	*18*
Office of the General Counsel	*95*
Office of the Assistant Secretary for Governmental Affairs	*14*
Office of the Assistant Secretary for Budget and Programs/CFO	*43*
Office of Assistant Secretary for Administration	*44*
Office of Public Affairs	*11*
Transportation Planning, Research and Development	22
Office of Civil Rights	43
Minority Business Outreach	1
Minority Business Resource Center Program	1
Essential Air Service	9
Financial Management Capital	-
SURFACE TRANSPORTATION DISCRETIONARY GRANTS	-
ARRA-National Surface Transportation System	-
National Infrastructure Investment	-
Livable Communities	-
Cyber Security Initiative	-
SUBTOTAL, DIRECT FUNDED	**440**
REIMBURSEMENTS/ALLOCATIONS/OTHER	
Salaries and Expenses	23
Immediate Office of the Secretary	*7*
Office of the Assistant Secretary for Budget and Programs/CFO	*1*
Office of Assistant Secretary for Administration	*14*
Office of Public Affairs	*1*
Essential Air Service	-
Working Capital Fund	179
SUBTOTAL, REIMBURSEMENTS/ALLOCATIONS/OTHER	**202**
TOTAL FTEs	**642**

13. Please provide a list of all vacant positions in the Office of the Secretary, please indicate, which positions the Department anticipates filling by the end of the year and where the Department is in the hiring process with each of these positions.

RESPONSE: The information follows by office.

STATUS OF VACANCIES AS OF MARCH 31, 2010	
Immediate Office of the Secretary	
Assistant to the Secretary for Policy	Will not be filled by the end of the year
Policy Assistant	Will not be filled by the end of the year
Office of the Deputy Secretary	
Counselor to the Deputy Secretary	Will not be filled by the end of the year
Staff Assistant	Will be filled by the end of the year
Office of the Executive Secretariat	
Staff Assistant	Will be filled by the end of the year
Office of the Under Secretary for Transportation Policy	
Supervisory Legislative Analyst	Vacancy closes 6/7/10
Acquisition Management Specialist	Vacancy closes 6/14/10
Policy Analyst	Vacancy opens 6/14/10
International Transportation Specialist	Vacancy closes 6/11/10
Office of Intelligence, Security & Emergency Response	
Policy Analyst	Staff member activated in reserves
Pandemic Influenza Specialist	Temporarily filled by reimbursable detailee from HHS Uniformed Corps of Public Health Services.
Intelligence Specialist	Estimated Start Date 5/24/2010
Director TT&E	Estimated Start Date 6/6/2010
CMC Watch Stander	Advertised 5/25/10-6/4/10, estimated start date 7/5/2010
Deputy Director TT&E	PD Written, waiting for Director to begin work and review PD; estimated start date FY 2011
CMC Watch Stander - NorthCom	Based at US NORAD/NORTHCOM in Colorado Springs, CO; estimated start date FY 2011
Emergency Operations Planner	Estimated FY 2011
Administrative Support	Vacant

Office of the General Counsel	
Special Counsel	On board
Administration Officer	Advertised
3 Attorneys	On board
Paralegal Specialist	On board
Staff Assistant	On board
Staff Assistant	Selected; on board June 21, 2010
2 Transportation Industry Analysts	Advertised
3 Attorneys	Advertised
Office of the Assistant Secretary for Budget and Programs, and CFO	
Deputy Chief Financial Officer	Anticipate filling. Currently interviewing.
Deputy Director of Budget and Program Performance	Anticipate filling. Currently interviewing.
Staff Assistant	Anticipate filling. In process of advertising.
Budget/Program Analyst	Anticipate filling. In process of advertising.
Budget/Program Analyst	Anticipate filling. In process of advertising.
Budget/Program Analyst	Anticipate filling. In process of advertising.
Accountant	Anticipate filling. In process of advertising.
Financial Analyst	Anticipate filling. In process of advertising.
Systems Accountant	Anticipate filling. In process of advertising.
Systems Accountant	Anticipate filling. In process of advertising.
Supervisory Program Analyst	Anticipate filling. In process of advertising.
Office of the Assistant Secretary for Administration	
Program Manager	Expected to be filled August 2010
Staff Assistant	Vacant
Staff Assistant	Vacant
Staff Assistant	Vacant
Supervisory HR Specialist	Expected to be filled July 2010
Management Analyst	Vacant
Human Resource Specialist (Labor Relations)	Candidate Selected May 2010
Program Assistant	Vacant
Administrative Assistant	Vacant
Administrative Assistant	Vacant
Sr Procurement Executive	Expected to be filled August 2010
IT Specialist	Expected to be filled August 2010
Contract Specialist	Expected to be filled late 4th Quarter 2010
Procurement Analyst	Expected to be filled late 4th Quarter 2010
Staff Assistant	Expected to be filled late 4th Quarter 2010
Program Analyst	Expected to be filled late 4th Quarter 2010
Physical Security Specialist	Expected to be filled July 2010
Safety/Occupational Health Specialist	Vacant
Environmental Analyst	Expected to be filled late 4th Quarter 2010
Supervisory HR Specialist	Vacant
Office of the Chief Information Officer	
Program Analyst	Expected to be filled late 4th Quarter 2010
	Postion Description is currently under review.

14. Please provide a listing of all new positions requested in FY 2011 for the Office of the Secretary, showing the position title, grade level, salary, and basic description of the position responsibilities.

RESPONSE: The information follows. Please note that the full-year salary range for Grade level(s) are indicated below. New positions are only funded for half a year; i.e, half that amount.

Position Title	Grade	Salary 1/	Position Description
Office of the Under Secretary for Transportation Policy - 6 FTE (positions previously authorized)			
Economist	GS-11/12	$62,467 - $97,333	Economic and strategic policy review and analysis
Environmental Protection Specialist	GS-11/12	$62,467 - $97,333	Energy and environmental policy review and analysis
Policy Analyst	GS-11/12	$62,467 - $97,333	Transportation economic policy analysis
Policy Analyst	GS-9	$51,620 - 67,114	Transportation economic policy analysis
Economist	GS-11/12	$62,467 - $97,333	Transportation economic policy analysis
Policy Analyst	GS-9	$51,620 - 67,114	Transportation policy analysis
Office of Intelligence, Security & Emergency Response - 3 positions @ half a year			
CMC Watch Stander	GS-13	$89,033 - $115,742	Conversion of contract position in the Crisis Management Center.
CMC Watch Stander	GS-11	$62,467 - $81,204	Conversion of contract position in the Crisis Management Center.
Interagency Manager	GS-15	$123,758 - $155,500	New FTE to oversee, manage and participate in senior Interagency Policy Committees at the White House National Security Council.

Office of the Chief Information Officer - 25 positions @ half a year			
Chief Information Security Officer	GS-15	$123,758 - $155,500	This position will lead Information Assurance and Privacy activities for the Department. The CISO will be responsible for cyber security and is consistent with the current Administration's cyber security initiative and the requirement for executive departments and agencies to designate a senior agency executive for this area.
Associate CIO for Application Services	GS-15	$123,758 - $155,500	The Associate CIO will lead the Application Services group to focus on Web 2.0/3.0, Business Intelligence, and Information Visualization, consistent with the current Administration's Open Government Directive and the requirement that technology-enabled transparency, participation, collaboration programs be developed and maintained indefinitely. Specific focus will include New Media, content and records management, communications and outreach, and training.

Office of the Secretary (OST) Chief Information Officer (CIO)	GS-15	$123,758 - $155,500	The OST CIO will ensure the IT needs of OST employees are being met and sound investment decisions are made, consistent with mission and business requirements of the DOT CIO.
IT Specialist – Project Manager	GS-14 (3 positions)	$105,211 - $136,771	Project Managers will focus on concentrated, termed project completion. Positions will provide advising and consulting services to ensure projects are carried out within scope, schedule, and budget.
IT Specialist	GS-12 (10 positions)	$74,872 - $97,333	IT Specialists will research, plan, architect, develop, test, evaluate, approve and help deploy information technology based products and services. Positions will support efforts on New Media and Applications Standards, including Technology Strategy, Architecture, Technology Development, and IT Security Strategy planning.

Business Analyst	GS-11-12-13-14 (9 positions)	$62,467 - $136,771	Business Analysts will test, assess, and advise on building IT needs, requirements, businesses cases, projects, program and compliancy. Positions will provide consulting and assessment expertise in areas such as Investment Management, Records and Privacy Management, and New Media.
Office of the General Counsel - 7 positions @ half a year (annualized FY 2010 positions/FTE)			
Attorney	GS 13/14 (4 positions)	$89,033 - $136,771	Directs investigations and enforces, through administrative hearings or negotiated cease and desist orders and civil penalty authority, the Department's aviation economic regulations, such as those implementing the Air Carrier Access Act, as well as other major areas of consumer protections rules, charter regulations, advertising requirements, prohibitions against unauthorized operations, and airline reporting requirements. Duties also include providing legal review for fitness determinations that are made in certificating new airlines, and determining the continuing fitness of existing airlines, and representing the public interest in aviation economic hearing cases.

Transportation Industry Analysts	GS 11/12 (3 positions)	$62,467 - $97,333	Handles a significant workload of consumer complaints and inquiries covering a wide-range of airline service issues. Investigates and analyzes airline passenger allegations of violations of discrimination. Monitors trends and develops analytical materials for use in court cases, administrative proceedings and/or informal negotiations to ensure the protection of consumers against unfair and unlawful airline practices.
Office of the Assistant Secretary for Budget and Programs/CFO - 15 positions @ half a year			
Director/Methodologist	GS-15	$123,758 - $155,500	Position is responsible for establishing and managing the newly created Departmental Program Evaluation Office (DPEO). The office will: assess the efficiency and effectiveness of DOT programs in key areas; develop and oversee Departmental evaluation standards, practices and policies; coordinate and track DOT's program evaluation portfolio; develop and manage a peer review systems; oversee the reporting of evaluation status; and provide DOT-wide program evaluation training and education.

Economist	GS-13/14	$89,033 - $136,771	Position will be part of DPEO. Basic duties are described above.
Program Analyst	GS-9/12	$51,630 - $97,333	Position will be part of DPEO. Basic duties are described above.
Program Analyst	GS-9/12	$51,630 - $97,333	Position will be part of DPEO. Basic duties are described above.
Budget/Program Analyst	GS-13/14	$89,033 - $136,771	Position will address increased workload involving the Highway Trust Fund and the reauthorization and oversight of programs financed by the Trust Fund.
Budget/Program Analyst	GS-13/14	$89,033 - $136,771	Position will address increased workload involving the Airport and Airway Trust Fund and the reauthorization and oversight of programs financed by the Trust Fund.
Budget/Program Analyst	GS-13/14	$89,033 - $136,771	Position will address increased workload in overseeing the Department-wide implementation of the American Recovery and Reinvestment Act.

Budget/Program Analyst	GS-13/14	\$89,033 - \$136,771	Position will address increased workload involved in Departmental oversight concerning High Speed Rail Grants.
Budget/Program Analyst	GS-13/14	\$89,033 - \$136,771	Position will address increased workload in oversight responsibilities over OST-Administered Surface Transportation Discretionary Grants.
Budget/Program Analyst	GS-13	\$89,033 - \$115,742	Specialized position will work on the expanding area of credit assistance for transportation projects to ensure that these funds are managed appropriately.
Budget/Program Analyst	GS-13/14	\$89,033 - \$136,771	Position will address increased workload involving the implementation of new programs such as Livable Communities and the National Infrastructure Innovation and Finance Fund.
Director of Financial Management	GS-15	\$123,758 - \$155,500	Position will be responsible for managing the financial management staff and overseeing the financial management functions for the OST Office of the CFO.

Financial Analyst	GS-14	$105,211 - $136,771	Position will be part of the OST Office of the CFO Financial Management Staff. Basic duties will include financial statements and the financial audit.
Accountant	GS-11/12	$62,467 - $97,333	Position will be part of the OST Office of the CFO Financial Management Staff. Basic duties will involve accounts payable and accounts receivable issues.
Accountant	GS-11/12	$62,467 - $97,333	Position will be part of the OST Office of the CFO Financial Management Staff. Basic duties will include management and reconciliation of reimbursable project agreements and inter- and intra-agency agreements.

1/ Full-year salary range for Grade level(s) indicated. Please note that new positions are only funded for half a year.

15. Please provide details of all organizational/staffing changes in the Office of the Secretary included in the FY 2011 budget request. Please include a breakout of the number of FTE who would be working on each new initiative proposed in the budget request.

RESPONSE: Organizational/staffing changes for the FY 2011 budget request involve only 2 areas; Office of the Chief Information Officer, and the Office of the Assistant Secretary for Budget and Programs/CFO. All new positions have been discussed in the previous section.

Office of the Chief Information Officer:

Application Services Group, 13 new positions. This new group will be created to focus on Web 2.0/3.0, Business Intelligence, and Information Visualization, consistent with the current Administration's Open Government Directive and the requirement that technology-enabled transparency, participation, collaboration programs be developed and maintained indefinitely. The team will focus on new media implementation, content and records management, communications and outreach, and training .

Office of the Assistant Secretary for Budget and Programs/CFO:

New Departmental Program Evaluation Office, 4 New Positions, 2 FTEs.
The office will evaluate selected transportation programs to determine if the programs are designed properly and resources are being allocated effectively. The office will work to ensure that the Department's policies and funding decisions are supported by rigorous analysis and that decisions are data-driven.

16. Please provide a table showing the funds for employee training and development for the last five years.

RESPONSE: The information follows.

		FY 06	FY 07	FY 08	FY 09	FY 10
SALARIES & EXPENSES		$ 55,641	$ 321,323	$ 468,779	$ 352,583	$ 134,338
OFFICE OF CIVIL RIGHTS		$ 12,707	$ 10,520	$ 89,529	$ 47,680	$ 35,350

17. Please provide a table showing the destination, purpose, number of staff, duration, cost (including all related costs including contracts), and other relevant details for all overseas travel over the last ten years.

RESPONSE: The information follows according to reporting period and office.

Foreign Travel Report for 3/1/00 - 4/1/01

Destination	Purpose	No. of Persons	Duration in Days	Cost
IMMEDIATE OFFICE OF THE SECRETARY				
Germany; Belgium	Address European Aviation Club; meet with German and Belgian Ministers of Transport and European Union Parliament members.	4	4	$7,304
England; Czech Republic; The Netherlands	Meeting of European Conference of Ministers of Transport.	4	4	$10,968
Canada	Keynote speech for International Civil Aviation Organization meeting; signing of aviation bilateral	3	1	$2,836
Taiwan	Represent President; give keynote for US-ROC Business Council Plenary	2	5	$8,568
Costa Rica	Meet with Central American Aviation Agency to plan a regional workshop.	1	10	$824

Nigeria; Tanzania	Accompany the President; Sign aviation bi-laterals	3	4	$11,715
Uruguay	Attend Western Hemisphere Transportation Conference, bilateral meetings with Ministers of Transport, Brazil, Uruguay, Jamaica, Colombia, and Mexico	4	4	$7,860

OFFICE OF THE DEPUTY SECRETARY

South Africa; Madagascar	Keynote speech for Africa/US Airport Infrastructure Workshop and Trade show	1	8	$7,276

OFFICE OF THE GENERAL COUNSEL

Beijing, China	Participate as a member of US Delegation in Maritime Negotiations	1	13	$4,125

Hong Kong, China	Participate as a member of US Delegation in Aviation Negotiations	1	7	$3,041
Rabat, Morocco	Participate as a member of US Delegation in Aviation Negotiations	1	7	$2,780
Nairobi, Kenya, Addis Ababa, Ethiopia	Participate as a member of US Delegation in Aviation Negotiations	1	13	$4,736
Abuja, Nigeria	Participate as a member of US Delegation in Aviation Negotiations	1	10	$3,814
Brussels, Belgium	Participate as a member of US Delegation in Aviation Negotiations	1	9	$2,394
Tokyo, Japan	Participate as a member of US Delegation in Aviation Negotiations	1	8	$1,810
Dakar, Senegal	Participate as a member of US Delegation in Aviation Negotiations	1	6	$3,210

Geneva, Switzerland	Participate as a member of US Delegation in WTO Trade Talks	1	6	$2,057
Moscow, Russia	Participate as a member of US Delegation in Maritime Negotiations	1	7	$2,585
Bern, Switzerland	Participate in the UNIDROIT mobile equipment financing convention meetings	1	5	$702
Mexico City, Mexico	Participate in Negotiations with the Government of Mexico regarding the implementation of the North American Free Trade Agreement (NAFTA) Cross-Border Truck and Bus Liberalization	1	3	$1,135

OFFICE OF THE ASSISTANT SECRETARY FOR AVIATION AND INTERNATIONAL AFFAIRS

Hong Kong, China	Aviation Negotiations with Hong Kong	1	5	$7,295

Singapore	Attend APEC Transportation Working Group Meeting	1	2	$3,466
Hong Kong, China	Aviation Negotiations with Hong Kong	1	5	$1,420
Brussels, Belgium; Amsterdam, Holland; Berlin & Frankfurt, Germany	To accompany and assist the Secretary on his Europe Mission	1	3	$2,463
Zurich, Switzerland; Berlin & Frankfurt, Germany	To accompany and assist the Secretary on his Europe Mission	1	4	$1,668
Brussels, Belgium; Amsterdam, Holland; Berlin & Frankfurt, Germany	To accompany and assist the Secretary on his Europe Mission	1	3	$1,903
Geneva, Switzerland	Attend WTO Services Meetings	1	12	$1,763
Zurich; Accra; Abuja	Accompany the Secretary of Transportation to meet with his Counterparts	1	6	$4,204

Lagos; Abuja; Africa	To hold discussions Sr. Transportation Officials in Nigeria/DOT Assessment Report	1	6	$6,445
Ottawa, Canada	To attend the Executive Session for Land Transportation Standard Subcommittee	2	2	$1,779
London, England	Aviation negotiations with the United Kingdom	1	4	$2,234
Prague, Czech Republic; Amsterdam, Holland; London, England; Sydney, Australia	Accompany the Secretary to participate at the ECMT meeting and aviation	1	7	$2,345
London, England	To assist and accompany the Secretary at the Ministers of Transport meeting	1	6	$2,017
Vilnius, Lithuania; London, England	Aviation negotiations with the United Kingdom	1	11	$4,974
Taipei, Taiwan	To accompany and assist the Secretary at his meeting with Senior Officials	1	3	$2,526

Mexico City, Mexico	To attend the Western Hemisphere Transport Initiative Exe Committee	1	3	$1,281
Nairobi; Addis Africa	To participate in aviation talks with Africa	1	12	$4,624
Montreal, Canada	To attend and participate at the American Bar Association Annual meeting and conference	1	2	$1,126
Amsterdam, Holland; Lagos & Abuja, Nigeria	To attend the US-Nigeria meetings and prepare for the Presidents Mission in August	1	8	$6,615
Lagos, Nigeria; Accra, Ghana	To attend the US-Nigeria Jepc meetings and prepare for the President Mission in August	1	4	$5,749
Ontario, Canada	To plan future US/Canada Cross-border Transportation Initiatives	1	2	$796
Geneva, Switzerland	Delegate to Gats Air Annex Review meeting	1	5	$3,822
Brussels , Belgium	EU meeting aviation negotiations	2	3	$4,356

Miyazaki; Lagos; Brussels	To attend the APEC 18th transportation meeting in Tokyo	1	14	$12,119
Brussels, Belgium	Negotiations	1	5	$2,008
Paris, France	OECD Cargo meeting	1	6	$2,127
Tokyo, Japan	To participate in aviation negotiations with Japan	1	5	$2,619
Geneva, Switzerland	Attend WTO Air Annex Review	1	5	$2,205
Moscow, Russia; Tallinn, Estonia	Aviation negotiations	1	14	$3,957
Dakar, Senegal	Aviation negotiations for Open Skies	1	5	$3,134
Montevideo, Uruguay	Western Hemisphere Transportation Initiative Executive Committee Conference	1	3	$2,356
Bogota, Colombia	Delta Airlines Inaugural Events for Non-stop Flights from Atlanta, GA	1	2	$1,215
London, England	To speak at a conference sponsored by the Institute of Economic Affairs	1	9	$759

Bandar	To participate in APEC 19th Transportation Working Group meeting	1	8	$4,026
Hong Kong, China	Aviation negotiations	3	5	$4,500
Nairobi, Kenya	Survey immigration procedures at Nairobi International Airport	3	8	$19,673
Praia, Cape Verde	To participate in the Safe Skies for Africa initiative survey of Aviation Security	8	7	$38,701
Johannesburg, South Africa; Mauritius	To attend the COMESA Heads of State meeting in Port Louis	1	7	$10,095
Brussels, Belgium; Windhoek, Namibia; Yaounde, Cameroon	To participate in the Safe Skies Presidential Initiative Survey of Namibia	1	15	$17,022
Windhoek, Namibia	To participate in the Safe Skies Presidential Initiative Survey of Namibia	3	15	$17,678
Johannesburg & Sun City, South Africa	To participate in the Safe Skies Presidential Initiative Survey of Namibia	1	7	$3,986

Windhoek, Namibia; Johannesburg, South Africa; Cameroon	To participate in the Safe Skies Presidential Initiative Survey of Namibia	3	15	$15,520
Douala & Yaounde, Cameroon	Safe Skies Presidential Initiatives Survey	1	6	$4,872
Mauritius	To brief COMESA on Safe Skies	1	5	$10,116
Windhoek; Namibia	To participate in the Presidential Safe Skies Initiative Survey	1	7	$7,945
Douala & Yaounde, Cameroon	To participate in the Presidential Safe Skies Initiative Survey	1	8	$6,777
Johannesburg & Sun City, South Africa; Antananarivo, Madagascar	To participate in the Presidential Safe Skies Initiative Survey	3	9	$21,730
Dakar, Senegal; Johannesburg & Sun City, South Africa	To act as Safe Skies leader in the Presidential Initiative Survey	2	16	$9,748
Johannesburg & Sun City, South Africa; Antananarivo, Madagascar	To participate in conference as a Safe Skies and to discuss with Madagascar	1	7	$7,276

Bamako, Mali	To participate in Presidential Safe Skies Initiatives	11	8	$57,624
Johannesburg & Sun City, South Africa; Antananarivo, Madagascar	To represent the US/DOT Airport Infrastructure Conference	1	7	$6,335

OFFICE OF ASSITANT SECRETARY FOR TRANSPORTATION POLICY

Ontario, Canada	Joint conference on Transportation	1	3	$1,215
Amsterdam, Holland; Brussels, Belgium	GPS meeting	1	7	$2,969
London, England	Keynote speaker at the International Walking Conference	2	5	$4,991
Prague, Czech Republic; Amsterdam, Holland; London, England	To attend the IISC CGSIC meeting	1	8	$3,084
Brussels, Belgium	To attend the United States/European Commission Discussing Galileo	1	4	$1,616

Edinburgh; Scotland	To attend GNSS 2000 Conference	1	13	$2,671
Ottawa, Canada	GPS Issues	1	2	$828
Zurich, Switzerland; Accra, Ghana; Abuja, Nigeria	Accompany the Secretary of Transportation to meet with his counterparts	1	6	$4,204

OFFICE OF THE ASSOCIATE DEPUTY SECRETARY AND DIRECTOR OF INTERMODALISM

Ottawa, Canada	Meet with Canadian officials on Customs clearance issues	1	2	$885
Miyazaki, Japan	Co-chair meeting of APEC's Intermodal Working Group	1	4	$3,548
Vancouver, British Columbia, Canada	Presentation on US/Canada Customs coordination	1	2	$1,024
Genoa, Italy	Forum on Intermodal Freight sponsored by USDOT & EU	1	5	$1,740
Vancouver, British Columbia, Canada	Meet with Transport Canada re: bi-national ITS program	1	3	$951
Vancouver, British Columbia, Canada	Meet with Transport Canada re: bi-national ITS program	1	3	$752

Note: The Office of the Associate Deputy Secretary and Director of Intermodalism was funded by the Federal Highway Administration through April 1, 2001.

Foreign Travel Report for 4/2/01 - 1/31/02

Destination	Purpose	No. of Persons	Duration in Days	Cost
IMMEDIATE OFFICE OF THE SECRETARY				
Ireland, Portugal	Attend Coast Guard military ceremonies in Ireland; attend European Council of Ministers meeting in Lisbon.	5	3	$8,212
Belgium, France, Russia	Meet with transport ministers and European Union representatives; view TGV high-speed train; tour U.S. exhibits at Paris Air show.	4	9	$11,805
OFFICE OF THE DEPUTY SECRETARY				
Montreal, Canada	Participate in Ministerial Conference on Aviation Security	1	2	$599
OFFICE OF THE GENERAL COUNSEL				
London, England	Participate as a member of U.S. Delegation in Aviation Negotiations.	1	3	$1,556
Brussels, Belgium	Participate as a member of U.S. Delegation in Aviation Negotiations.	1	3	$733

Tokyo, Japan	Participate as a member of U.S. Delegation in Aviation Negotiations.	1	6	$1,854
St. Petersburg, Russia	Participate in the 24th Antarctic Treaty Consultative Meeting.	1	8	$3,225
Geneva, Switzerland	Participate in the UNIDROIT aircraft financing negotiations.	1	4	$1,980
Paris, France	Participate as a member of U.S. Delegation in Aviation Negotiations.	1	4	$871
Geneva, Switzerland	Participate in the GATS aviation and review and related WTO Trade Talks.	1	6	$2,125
London, England	Participate as a member of U.S. Delegation in Aviation Negotiations.	1	5	$1,725
Paris, France	Participate as a member of U.S. Delegation in Aviation Negotiations.	1	5	$1,819
Cancun, Mexico	Participate as panelist at meeting of the International Bar Association discussing aviation consumer protection regulation and enforcement.	1	5	$784
Cape Town, South Africa	Participate in the UNIDROIT Aircraft Financing Convention.	1	15	$1,864

London, England	Participate as a member of U.S. Delegation in Trade Negotiations.	1	4	$1,469
Montreal, Canada	Participate in ICAO Meeting on War Risk Insurance.	1	3	$803

OFFICE OF THE ASSISTANT SECRETARY FOR AVIATION AND INTERNATIONAL AFFAIRS

Paris, France	To attend competition meeting and meet with OECD staff	1	5	$1,605
Montreal, Canada	Participate in ICAO Aviation Trade Panel	1	2	$653
Cork, Ireland; Lisbon, Portugal	To accompany Secretary to participate in Memorial Day event/European Conference	2	3	$1,550
Paris & Marseille, France; St. Petersburg, Russia	To accompany/assist the Secretary with the annual Paris Air Show	2	8	$4,439
Geneva, Switzerland	Delegate to WTO review of GATS Air Transport Annex	1	6	$2,519
London, England; Brussels, Belgium	International Air Negotiations with the United Kingdom and Brussels	1	5	$5,260

Tokyo, Japan	To participate in Aviation talks with Japan	1	5	$2,806
Manila, Philippines; Tokyo, Japan	Aviation Bilateral Negotiations/consultations on Open Skies	2	7	$7,323
Hong Kong, China	Aviation Negotiations	1	4	$1,314
Santiago, Chile	Chile Free Trade Agreement	1	6	$2,118
Mexico City, Mexico	Implementation of North Free Trade Agreement (NAFTA)	1	2	$802
Paris, France	Aviation Negotiations	1	4	$1,836
Paris, France; Moscow, Russia	Aviation Negotiations	1	11	$2,277
Montreal, Canada	WHTI Executive Committee Meeting	1	4	$1,142
Paris, France	Aviation negotiations with the French	2	8	$7,703
Ottawa, Canada	Delegation at the Eighth Session of Land Transportation Standards	2	3	$2,237
Montreal, Canada	To attend the ICAO 33rd Session of LTSS	1	4	$1,947
Geneva, Switzerland	GATS 2000 General Agreement on Trade in Service	2	5	$3,807
Montreal, Canada	Delegation at the Eighth Session of Land Transportation Standards	1	4	$857
Paris, France	To attend the OECD Draft	1	4	$1,836

Geneva, Switzerland	Multilateral Cargo Liberalization Agreement Delegate to the WTO Meeting	1	3	$1,537
Geneva, Switzerland	General meeting on Trade in Services 2000 (GATS) negotiations meetings	1	3	$1,536
London, England	Aviation negotiations with the United Kingdom	2	3	$2,992
Beijing, China	To participate in Bilateral Civil Aviation Consultations	1	5	$5,218
Tokyo, Japan	To participate in the first Japanese Ministerial Conference	1	5	$2,275
Ontario, Canada	US Transportation Border Working Group Preliminary Agenda	1	2	$646
Paris, France	OECD Workshop on Liberalization of Air Cargo Transportation	1	5	$1,952
Mexico City, Mexico	To participate in a discussion regarding NAFTA Implementation	1	2	$1,120

OFFICE OF ASSITANT SECRETARY FOR TRANSPORTATION POLICY

Paris, France	International Bureau of Weights and Measures/Attend negotiations with the European Commission	1	5	$1,472
Tokyo, Japan	To participate in US Delegation to the Ministerial Conference on Transport & Environmental	1	6	$2,054
Geneva, Switzerland	Workshop for Global Navigation Satellite System	1	6	$1,579

OFFICE OF THE ASSOCIATE DEPUTY SECRETARY AND DIRECTOR OF INTERMODALISM

Miyazaki, Japan and Vancouver, British Columbia, Canada	Participant APEC Transportation Working Group Presenter at US/Canadian Border Conference	1	13	$4,572
Genoa, Italy	Co-Chair 4th Intermodal Freight Transport Forum between US and European Union	1	6	$1,741
Seattle, Washington USA and Vancouver, British Columbia, Canada	Meetings with Vancouver International Airport officials on an ITS technical deployment involving air/surface freight border clearances and Port of Vancouver officials regarding trucking issues	1	5	$1,569
Geneva, Switzerland	Participate in UN Dangerous Goods Committee of Experts, and in 3 subcommittee meetings and the General Session	1	16	$3,548

OFFICE OF THE ASSISTANT TO THE SECRETARY AND DIRECTOR OF PUBLIC AFFAIRS

Cork, Ireland; Lisbon, Portugal.	Attend with the Secretary's the European Ministerial Transport Conference	1	4	$471
Paris, France and St. Petersburg, Russia	Attend with the Secretary's International Transportation meetings and events	1	9	$1,769
Brussels, Belgium; Frankfurt, Germany, and St. Petersburg, Russia.	Advance the Secretary's International meetings and events	1	7	$2,833

Foreign Travel Report for 2/1/02 - 4/30/03

Destination	Purpose	No. of Persons	Duration in Days	Cost
IMMEDIATE OFFICE OF THE SECRETARY				
Mexico	Attend Asian-Pacific Economic Council; give keynote speech; conduct bi-lateral meetings.	5	3	$7,989
Kuwait	Coordinate U.S. DOT's support with Office of Reconstruction & Humanitarian Assistance.	3	5	$11,288
OFFICE OF THE DEPUTY SECRETARY				
Mexico	Participate in Western Hemisphere Transportation Ministerial.	1	5	$3,555
OFFICE OF THE GENERAL COUNSEL				
Riga, Latvia; Copenhagen, Denmark	Participate as a member of U.S. Delegation in Aviation Negotiations.	1	8	$2,524
Ottawa, Canada	Participate in the UNIDROIT Mobile Equipment Convention.	1	3	$1,233
Montreal, Canada	Participate as a member of U.S. Delegation in Aviation Negotiations.	1	4	$927
Paris, France	Participate as a member of U.S. Delegation in Aviation Negotiations.	1	6	$2,176

Hanoi, Vietnam	Participate as a member of U.S. Delegation in Aviation Negotiations.	1	8	$3,204
Montreal, Canada	Participate as a member of U.S. Delegation in the ICAO Study of the Rome Convention.	1	3	$1,008

OFFICE OF ASSITANT SECRETARY FOR TRANSPORTATION POLICY

Montreal, Canada	To accompany the Deputy Secretary at the International Civil Aviation Organization (ICAO)	1	2	$837
Manila, Philippines	Participate in the 20th APEC Transportation Working Group Meeting	2	8	$9,537
Mexico City, Mexico	NAFTA Implementation	1	8	$1,210
Manila, Philippines	To serve as the Secretariat for the Deputy Lead Shepherd	1	8	$3,498
Geneva, Switzerland	Delegate to WTO Services Council	1	7	$2,471
Brussels, Belgium	Airline negotiations with Brussels	2	4	$5,276
Moscow, Russia	Aviation negotiations	2	7	$4,736
Acapulco, Mexico	9th Annual National Association of Courier Companies (ANMEC) Convention	1	2	$1,414
Montreal, Canada	International Civil Aviation Organization (ICAO) 4th meeting of facilitation	2	7	$2,460
Lima, Peru	Principal staff advisor on APEC issues/accompany the Associate Deputy Secretary	1	5	$2,029
Rio De Janeiro, Brasilia	Serve as the Representative to the western Hemisphere Transportation Initiative	1	9	$2,136
Mexico City,	Support the Deputy Secretary	1	2	$878

Mexico	in his discussion with the Mexican Secretary			
Quito, Ecuador	Consultations with Ecuador concerning Air Transport Agreement	1	6	$1,518
Paris, France; Bucharest, Romania	To accompany and assist the Secretary for Transportation Policy at the ECMT meeting	1	7	$3,599
Mexico City, Mexico	Meet with the Secretary of communication and transportation to discuss compliance with the FMVSS	1	3	$1,198
Lima, Peru	Staff advisor on APEC issues during the Ministerial accompanying the Associate Deputy Secretary	1	6	$980
Geneva, Switzerland	Delegate to WTO Services Council	2	6	$5,045
Ottawa, Canada	Meet with Canadian Officials and vehicle manufactures to discuss compliance FMVSS	1	2	$1,052
Brisbane, Australia	To attend APEC Transportation Working group	2	11	$11,564
Paris, France	Aviation negotiations	1	5	$4,798
Hanoi, Vietnam	Participate in Aviation Negotiations with the Government of Vietnam	1	7	$1,591
Montreal, Canada	Conference meeting 5th world Air Transport	1	8	$2,219
Hong Kong	Aviation negotiations	2	5	$11,356
Paris, France	Meeting with French officials to discuss new noise regulations	1	6	$1,275
Mexico City, Mexico	Western Hemisphere Transportation meeting	1	2	$1,379
Montreal, Canada	To attend the ICAO 33rd session of LTSS	1	4	$1,947
Geneva, Switzerland	GATS 2000 General Agreement on trade in service	1	4	$1,947
London, England	Aviation negotiations with the United Kingdom	2	3	$4,157
Beijing, China	To participate in bilateral civil aviation consultations	2	5	$5,217

Montreal, Canada	To attend a conference/information meeting	1	3	$937
Brussels, Belgium	ECMT Conference	1	3	$2,513

OFFICE OF INTELLIGENCE AND SECURITY

Calgary, Alberta, Canada	Attend the American Transportation Associates Conference	1	5	$1,813
Singapore	Chair meeting of APEC's Transportation Security Experts Group	1	7	$3,920
Toronto, Ontario, Canada	Attend the International Chief of Police Conference	1	3	$1,577

Foreign Travel Report for 5/1/03 - 4/30/04

Destination	Purpose	No. of Persons	Duration in Days	Cost
IMMEDIATE OFFICE OF THE SECRETARY				
Kuwait City, Kuwait; Amman, Jordan	Meetings on transportation issues with U.S. business leaders and foreign dignitaries.	3	7	$78,014
Holland, Belgium, France	Meet with Dutch and French Ministers of Transport and European Union Parliament officials.	1	7	$860
San Juan, Puerto Rico	Represent DOT at meeting with Tren Urbano officials	1	3	$1,388
OFFICE OF THE DEPUTY SECRETARY				
Mexico City, Mexico	Participate in Western Hemisphere Transport Ministerial	1	5	$3,555

OFFICE OF THE GENERAL COUNSEL

Buenos Aires, Argentina	To attend the International Conference of the World Mediation Forum.	1	7	$927
Bern, Switzerland	Participate as a Chairman of U.S. Delegation in the UNIDROIT negotiation of mobile equipment.	1	6	$2,445
Brazilia, Brazil	Participate in the informal maritime transport consultations.	1	5	$1,827
Manila, Philippines	Participate as a member of U.S. Delegation in Aviation Negotiations.	1	8	$2,207
Montreal, Canada	Participate as a member of U.S. Delegation in ICAO Study Group on modernizing the Rome Convention.	1	4	$1,309
Bangkok, Thailand	Participate as a member of U.S. Delegation in Aviation Negotiations.	1	6	$2,224
Stockholm, Sweden	Participate as a member of U.S. Delegation in the UNIDROIT Rail Protocol.	1	6	$2,160
Hanoi, Vietnam	Participate as a member of U.S. Delegation in Aviation Negotiations.	1	7	$2,883
Montreal, Canada	Participate as a member of the U.S. Delegation in ICAO Study Group on modernizing the Rome Convention.	1	3	$1,045
The Hague, Netherlands	Participate as a member of U.S. Delegation in Negotiations on GPS-Galileo Systems.	1	6	$2,020
Brussels, Belgium	Participate as a member of U.S. Delegation in Aviation Negotiations.	1	6	$2,488
Rome, Italy	Participate as a member of U.S. Delegation in	1	6	$2,933

UNIDROIT meeting on
the Rail and Space
Equipment Procols.

Beijing, China	Participate as a member of U.S. Delegation in Aviation Negotiations.	1	6	$1,793
Brussels, Belgium	Participate as a member of U.S. Delegation in Aviation Negotiations.	1	8	$3,825
Montreal, Canada	Participate in the ICAO Legal Committee meeting on the Modernization of the Rome Convention.	1	7	$1,985
Brasilia, Brazil	Participate as a member of U.S. Delegation in maritime transport negotiations.	1	5	$2,183
Beijing, China	Participate as a member of U.S. Delegation in Aviation Negotiations.	1	5	$1,929
Vancouver, Canada	Participate in a U.S. Government Forum sponsored by Canadian Business Aircraft Assoc.	1	6	$1,249

Vancouver, Canada	Participate in a U.S. Government Forum sponsored by Canadian Business Aircraft Assoc.	1	6	$743
London, England	Participate as a member of U.S. Delegation in Aviation Negotiations.	1	6	$2,076
London, England	Participate as a member of U.S. Delegation in Aviation Negotiations.	1	6	$2,413
Toronto, Canada	Participate as speaker on U.S. rules and regulations governing trans-border operations.	1	2	Gift Acceptance
Toronto, Canada	Participate in the Canadian Business Aviation Association Seminar.	1	2	Gift Acceptance
Mexico City, Mexico	Attend Meeting with Mexican DOT regarding Mexican participation in International Registration Plan.	1	3	$1,273

Beijing, China	Meet with Chinese Government officials and administrative law scholars regarding administrative rulemaking.	1	10	Gift Acceptance Travel
Seville, Spain	Attend and speak on consumer protection issues at IATA's 2004 Legal Symposium.	1	3	Gift Acceptance Travel
Toronto, Canada	Attend Computerized Airline Marketing & Sales Association (CASMA) conference and speak on Department's Computer Reservation System decision.	1	4	Gift Acceptance Travel
Paris, France	Participation in the US delegation for aviation talks with European Union officials.	1	5	$2,435

OFFICE OF ASSITANT SECRETARY FOR TRANSPORTATION POLICY

Ottawa, Canada	Meeting at Transport Canada, Re: Climate Discussions and update	2	2	$3,484
Milan, Italy	Represent the Secretary of the Department and U.S. as part of the US Delegation	1	6	$1,566
Brussels, Belgium; Paris, France; London, England; Berlin, Germany	Meet EU officials to get final agreement on COOP between US/EC	1	6	$4,376
Tokyo, Japan; Seoul, Korea	Conference 2003 Int'l Symposium on GPS/GNSS	1	12	$3,012
Brussels, Belgium	Attend US/EU Consultations on GPS/GALILEO	1	5	$2,197
Munich, Germany	Conference attendance to attend the Civil GPS Service Interface Committee	1	7	$2,625
Paris, France	OECD/ECMT Extended committee of Deputies	1	4	$1,790
Ottawa, Canada	Information Meeting	1	3	$1,398
Brussels, Belgium	US-EU Aviation Negotiations	2	3	$3,413
Mexico City, Mexico	Aviation Security Meeting	1	2	$1,455
Ottawa, Canada	Aviation Security Meeting	1	4	$1,020
Brussels, Belgium	Aviation Security Cooperation	1	4	$2,200
Paris, France	Aviation Fractional Ownership Meeting	1	3	$2,030
Brussels, Belgium	US-EU Aviation Negotiations	2	7	$5,465
Brussels, Belgium	Advance the Secretary's trip to Brussels, Belgium	1	8	$3,357

Cairo, Egypt	ICAO Aviation Facilitation Conference	2	10	$8,727
Hanoi, Vietnam	Participate in Aviation Negotiations	2	10	$5,861
Ottawa, Canada	Conference on Steering Committee for Great Lakes	1	3	$1,003
Tokyo, Japan; Beijing, China	Civil Aviation Consultation	1	6	$2,340
Frankfurt, Germany	Star Alliance Organization Meeting	1	6	$2,069
Brussels, Belgium	US-EU Negotiations	5	7	$10,632
Beijing China	Participate in Negotiations with China	1	7	$2,478
Frankfurt, Germany	Speak at a conference at the Institute	1	9	$1,674
Frankfurt, Germany; Lagos & Abuja, Nigeria	To assist the DOT office of the Secretary Initiate a DOT/FRA contract between a US company and the Nigerian Railways	1	5	$7,145
Brussels, Belgium	Debate regarding Armed Marshals on EU-US Flights	1	4	$2,282
Sao Paulo, Brazil	Information Meeting	1	4	$2,007
Ottawa, Canada	Meeting	1	2	$1,030
Singapore	US-Indonesia Aviation Explorations	1	9	$1,589
Paris, France	Aviation Fractional Ownership Meeting	1	3	$2,031
Paris, France	Bilateral Meeting with S-1 Counterparts	1	7	$1,951
Kuwait	To accompany the Secretary in meetings	1	7	$1,606
Beijing, China	Participate in US-China Civil Aviation Negotiation	1	9	$6,471
Beijing, China	APEC Transportation Working Group & Ministerial Prep	3	9	$19,615
Toronto, Canada	Speech to Canadian Business Aviation Group	1	2	$448
Tokyo, Japan	Participate in Civil Aviation Bilateral Negotiation	1	8	$7,254

Brussels, Belgium	Site Visit	1	9	$3,134
Frankfurt, Germany; Lagos & Abuja, Nigeria	Nigerian Transportation Project: Assess Nigerian Railway Systems	2	6	$15,213
Veracruz, Mexico	Meet with Transport Ministry and Port Officials	1	8	$3,669
Frankfurt, Germany; Lagos & Abuja, Nigeria	Nigerian Transportation Project	1	5	$8,400
Nairobi, Kenya	Safe Skies for Africa	3	9	$39,439
Montreal, Canada	Safe Skies for Africa: To attend meeting on International Air Assn.	2	2	$1,452
Brussels, Belgium; Nairobi, Kenya	Safe Skies for Africa: Site Visit		9	$13,509

Nairobi, Kenya; Lagos, Nigeria	Safe Skies for Africa: Installation of Airport Security Equipment in Namibia, Kenya and Uganda	1	15	$13,038
San Jose, Caracas	Safe Skies for Africa: Model for East Africa	4	7	$6,366
Cameroon; Lagos & Abuja, Nigeria	Safe Skies for Africa: Airport Security	1	2	$557
Ottawa, Canada	Information Meeting Great Lakes, St. Lawrence Seaway	1	2	$1,077
Sharma El Sheikh, Egypt	Speech (gift)	1	5	$475
Tokyo City, Japan	Presentation meeting with Japanese officials	1	5	$6,754

OFFICE OF INTELLIGENCE AND SECURITY

Hong Kong, China	Participate in the Asian Pacific Economic Cooperation (APEC) 100% Baggage Screening Symposium.	1	7	$5,640
Beijing, China	Participate in the Asian Pacific Economic Cooperation (APEC) Conference.	1	8	$4,313

OFFICE OF THE ASSISTANT TO THE SECRETARY AND DIRECTOR OF PUBLIC AFFAIRS

Hague, Holland; Brussels, Belgium; Paris, France	Provide media relations staff support to the Secretary.	1	7	$1,809

ASSISTANT SECRETARY FOR GOVERNMENT AFFAIRS

Toulouse & Paris, France	Attendance at conference with European Institute	1	7	$328
Amsterdam, Holland	To advance the Secretary's trip to Netherlands.	1	10	$3,929

CHIEF INFORMATION OFFICER

Quebec, Canada	To attend/ participate in the 2004 UBS CIO Roundtable Award Series/North American Day Delegation	1	3	$1,050

ASSISTANT SECRETARY FOR ADMINISTRATION

Kuwait; Afghanistan; Iraq; Jordan	Provide Executive Protection for the Secretary	1	13	$9,019
Kuwait; Afghanistan; Iraq; Jordan	Provide Executive Protection for the Secretary	1	10	$6,894
Kuwait; Afghanistan; Iraq; Jordan	Provide Executive Protection for the Secretary	2	7	$3,094
Kuwait; Jordan	Provide Executive Protection for the Secretary	1	13	$9,348
Jordan	Provide Executive Protection for the Secretary	1	11	$6,747
Netherlands	Provide Executive Protection for the Secretary	1	8	$2,818
Belgium	Provide Executive Protection for the Secretary	1	10	$10,623

France	Provide Executive Protection for the Secretary	1	10	$7,201
Netherlands; Belgium; France	Provide Executive Protection for the Secretary	2	7	$8,160
Uzbekistan; Afghanistan; Kuwait; Iraq; Jordan	To visit with Senior Government Officials to discuss transportation related safety and security; work through International Organization to enhance standards.	1	6	$1,578

Foreign Travel Report for 5/1/04 - 4/30/05

Destination	Purpose	No. of Persons	Duration in Days	Cost
IMMEDIATE OFFICE OF THE SECRETARY				
Kuwait City, Kuwait; Amman, Jordan	Meetings on transportation issues with U.S. business leaders and foreign dignitaries.	3	7	$78,014
Holland; Belgium; France	Meet with Dutch and French Ministers of Transport and European Union Parliament officials.	1	7	$860
San Juan, Puerto Rico	Represent DOT at meeting with Tren Urbano officials.	1	3	$1,388
China; Bali; Indonesia	APEC Summit and meeting with Chinese government officials and business leaders.	2	9	$12,384
Montreal, Canada	International Civil Aviation Conference (General Assembly).	2	3	$3,037
Mexico City, Mexico	US-Mexico Bi-national Commission on economic competitiveness.	2	2	$3,245

Ottawa, Canada	Meeting with the Canadian Minister of Transport, Alaska governor, and deliver a speech to the Canadian Airport Council's Open Skies Forum.	2		$2,055
Japan; India; Thailand; Hong Kong, China	International transportation issues: technology, market liberalization, cooperative working relationships.	11	12	$10,000
Glasgow, England	Represent DOT at the 17th International Conference on Alcohol, Drugs, and Traffic Safety.	1	5	$4,161
OFFICE OF THE GENERAL COUNSEL				
Tokyo, Japan	Participate as a member of U.S. Delegation in Aviation Negotiations.	1	5	$1,904
Montreal, Canada	Participate as a member of U.S. Delegation in the UNIDROIT negotiation of mobile equipment.	1	4	$1,247
Brussels, Belgium	Participate as a Chairman of U.S. Delegation in the UNIDROIT negotiation of mobile equipment.	1	6	$2,525
Port of Spain, Trinidad	Participate as a member of U.S. Delegation in Aviation Negotiations.	1	4	$1,886

Brussels, Belgium	Participate in NATO Insurance Working Group on amendments to the 1993 Indemnification of Civil Aircraft Operators Agreement.	1	4	$1,747
Montreal, Canada	Participate as a member of U.S. Delegation in meetings of the ICAO Legal Commission.	1	3	$1,214
San Juan, Puerto Rico	Participate as a member of U.S. Delegation in the Andean Free Trade Agreement negotiations.	1	3	$948
Mexico City, Mexico	Participate in seminar sponsored by the Government of Mexico on the Cape Town Convention.	1	3	$1,366
Mexico City, Mexico	Participate in discussion with Mexican and Canadian Officials in the Tri-national Factional Ownership Aviation Group.	1	5	$1,890
Mexico City, Mexico	Participate as a member of U.S. Delegation in Aviation Negotiations.	1	5	$1,538
Mexico City, Mexico	Participate as Speaker on Air Rights negotiations with the Mexican Authorities.	1	5	$2,083

Montreal, Canada	Participate as a member of U.S. Delegation in UNIDROIT Preparatory Commission meetings.	1	4	$1,543
Kuwait City, Kuwait	Participate as a member of U.S. Delegation in Aviation Negotiations.	1	6	$3,342
Montreal, Canada	Participate as a member of U.S. Delegation in UNIDROIT Preparatory Commission meetings.	1	3	$1,171
Rome, Italy	Participate as chairman and co-chair of the intergovernmental UNIDROIT meeting on the rail protocol.	1	6	$3,374
Hanoi, Vietnam	Participate as a member of U.S. Delegation in maritime transport negotiations.	1	7	$3,696
Mexico City, Mexico	Participate in discussion with Mexican and Canadian Officials in the Tri-national Factional Ownership Aviation Group.	1	5	$1,870
OFFICE OF ASSITANT SECRETARY FOR TRANSPORTATION POLICY				
Prague, Czech Republic; Ljubljana, Slovenia	Advance the secretary trip to Prague, Czech to meet minister.	1	10	$3,615
Prague, Czech Republic; Ljubljana, Slovenia	Staff secretary on DOT issues.	1	7	$2,215
Beijing, China	Advance the secretary's trip to Beijing.	1	7	$9,508
Mexico City, Mexico	Meeting with Mexican officials re-liberalizing civil aviation.	1	3	$1,802
Montreal, Canada	Give a speech, meet Mexican officials.	1	3	$3,030
Prague, Czech Republic; Ljubljana, Slovenia; Istanbul, Turkey	Conference Attendance	1	8	$1,906
Paris, France	Represent the US sponsored international conference on implementing sustainable.	1	7	$1,807
Paris, France	Attend the roundtable on sustainable development.	1	7	$2,513

Prague, Czech Republic; Ljubljana, Slovenia; Istanbul, Turkey	To attend the ECMT in Slovenia.	1	10	$4,231
Brussels, Belgium	Information Meeting	2	5	$5,415
Mexico City, Mexico	To attend the 10th Joint Plenary Session Land Transportation Standards subcommittee.	2	5	$3,308
Tokyo, Japan	To accompany the delegation and support Ms. Sission and Mr. Kulyk as head of delegation.	1	11	$5,625
Vancouver, Canada	To speak at the inaugural US Canadian senior airport management forum.	1	3	Gift Travel, $95
Singapore City, Singapore; Bali, Indonesia	Attend and support international office at the APEC Ministerial.	1	10	$7,702
Beijing, China	Bilateral Meetings with high level Chinese officials; accompany the Secretary to the APEC Conference.	1	10	$2,398
Hong Kong, China; Bali, Indonesia; Singapore City, Singapore	To attend and participate in the fourth APEC Ministerial.	1	33	$15,307
Port of Spain, Trinidad	To participate in aviation negotiations with Caribbean community.	1	3	$1,065
Port of Spain, Trinidad	To participate in aviation negotiations with caricom.	1	3	$1,148
Mexico City, Mexico	To participate in aviation talks with the Mexican Civil Aviation Authorities.	1	4	$1,103

Bangkok, Thailand	APEC Transportation working group meeting regarding Maliat participation.	1	7	$1,799
Montreal, Canada	Accompany secretary to 35th ICAO General Assembly/Bilateral/Trilateral meeting with Africa, Mexico.	1	2	$1,359
Montreal, Canada	Attend ICAO assembly	1	4	$2,138
San Juan, Puerto Rico	Information meeting	1	2	$845
Tokyo City, Japan	Speech or presentation	1	18	$1,087
Paris, France	Conference Attendance	1	4	$1,879
Amsterdam, Holland	Keynote speaker at the energy motion conference.	1	6	$1,018
London, England	Conference on GPS National Policy, GPS Modernization & US Radio navigation Planning.	1	9	$2,658
Sydney, Australia	To attend the international symposium on GPS/GNSS conference.	1	9	$3,324
Buenos Aires, Argentina	UN Climate Change Convention.	1	5	$1,538

Paris, France	International partnership for the hydrogen economy steering CMTE meeting.	1	4	$1,883
Munich, Germany; Prague, Czech Republic	To attend the 2005 European Satellite Navigation summit in Munich & GPS service Meeting Prague.	1	13	$3,904
Paris, France	Information meeting	1	5	$3,074
Mexico City, Mexico	Information meeting	1	4	$1,596
Mexico City, Mexico	Information meeting	1	4	$1,547
Bangkok, Thailand	To participate in APEC transportation working group meeting.	I	8	$2,046
Montreal, Canada	Conference Attendance	1	6	$1,966
Mexico City, Mexico	Accompany Office of the Secretary to BNC Transportation working group meeting.	1	4	$1,054
Taipei, Taiwan	Site Visit	1	5	$926
New Delhi, India	Information meeting/talks with New Delhi, India.	1	7	$7,598
Mexico City, Mexico	To participate in bilateral aviation talks.	1	6	$1,534
London, England	Information Meeting	1		$1,222
Ottawa, Canada	Accompany Office of the Secretary to bilateral meeting and Canadian Airport Council's Open Skies Forum.	1	2	$204

OFFICE OF EMERGENCY TRANSPORTATION

Brussels, Belgium	To represent the United States in the final review/coordination of information for NATO Civil Aviation Planning Committee training seminar.	2	7	$ 2,400
Brussels, Belgium	To represent the United States and to provide leadership and participate in NATO Civil Aviation Working Group and Ad Hoc Training Teams.	3	7	$ 6,847
Brussels, Belgium	To represent the United States	3	7	$ 9,482

interest and positions on issues related to acquisition and deployment of civil aviation services to support the military in ongoing NATO operations; and to provide leadership and participate in NATO Civil Aviation Planning Committee and Ad Hoc Training Teams.

OFFICE OF INTELLIGENCE AND SECURITY				
Bali, Indonesia	Participate in the Asian Pacific Economic Cooperation (APEC) Transportation Ministerial Meeting Symposium.	1	7	$66,822
OFFICE OF THE ASSISTANT TO THE SECRETARY AND DIRECTOR OF PUBLIC AFFAIRS				
Prague, Czech Republic; Istanbul, Turkey; Ljubljana, Slovenia	Provide media relations staff support to the Secretary.	1	7	$1,797
ASSISTANT SECRETARY FOR ADMINISTRATION				
Prague, Czech Republic; Istanbul, Turkey	Advance Trip & Executive Protection for the Secretary	1	13	$1,909
Prague, Czech Republic	Advance Trip & Executive Protection for the Secretary	1	8	$4,052
Istanbul, Turkey; Ljubljana, Slovenia	Advance Trip & Executive Protection for the Secretary	1	10	$2,841
Ljubljana, Slovenia	Advance Trip & Executive Protection for the Secretary	1	11	$8,570

Prague, Czech Republic; Ljubljana, Slovenia; Istanbul, Turkey	Executive Protection for the Secretary	1	8	$1,818
Bali, India	Advance Trip & Executive Protection for the Secretary	2	12	$16,313
Beijing & Shanghai, China; Bali, India	Executive Protection for the Secretary	2	11	$4,617
Beijing, China Bali, India	Advance Trip & Executive Protection for the Secretary	1	15	$9,802
Montreal, Canada	Advance Trip & Executive Protection for the Secretary	1	8	$2,393
Montreal, Canada	Executive Protection for the Secretary	2	3	$1,276
Mexico City, Mexico	Advance Trip & Executive Protection for the Secretary	1	8	$2,859
Mexico City, Mexico	Executive Protection for the Secretary	1	3	$404
Ottawa, Canada	Advance Trip & Executive Protection for the Secretary	1	4	$1,613

Foreign Travel Report for 5/1/05 - 4/30/06

Destination	Purpose	No. of Persons	Duration in Days	Cost
IMMEDIATE OFFICE OF THE SECRETARY				
Canada	Meetings on transportation issues with U.S. business leaders and foreign dignitaries.	2	2	$2,100
Tokyo & Nagoya, Japan; New Delhi & Bangalore, India; Bangkok, Thailand; Hong Kong, China	Meetings on transportation issues with U.S. business leaders and foreign dignitaries.	1	7	$2,512
Italy	EU Ministers of Transport Conference & World Congress High Speed Rail Conference	1	7	$3,085
Canada	To deliver remarks at the North American Marine Conference on Short Sea Shipping Luncheon	1	1	$535

OFFICE OF THE GENERAL COUNSEL

Montreal, Canada	Participate as a member of U.S. Delegation in the UNIDROIT negotiations.	1	3	$1,543
Santiago, Chile	Participate as a Speaker at IATA's 2005 Legal Symposium.	1	7	$792
Rome, Italy	Participate as Chairman & Co-chair of the inter-governmental UNIDROIT meeting.	1	7	$3,374
Hanoi, Vietnam	Participate in informal maritime transport consultations.	1	7	$3,536
Sao Paulo, Brazil	Participate as Speaker in the Civil Aviation Summit 2005 Conference Montreal convention.	1	6	Gift Acceptance
Hamilton, Bermuda	Presentation on the Airport PFC Programs and Airline Bankruptcies.	1	5	Gift Acceptance
Hamilton, Bermuda	Presentation on the Airport Concessions	1	7	Gift Acceptance

	DBE Programs.			
Brussels, Belgium	Participate in the NATO discussions on the draft NATO Indemnification Agreement.	1	4	$1,857
Paris, France	Participate as a member of the U.S. Delegation to discuss Competition Policy.	1	5	$2,596
Montreal, Canada	Participate in deliberations at ICAO regarding Cape Town Aircraft Registry.	1	3	$1,258
Brussels, Belgium	Participate in sub-group on the transport of persons with reduced mobility.	1	4	$2,200
Calgary, Canada	Participate as Speaker in the CBAA Seminar on U.S. Operating Requirements.	1	3	Gift Acceptance
Calgary, Canada	Participate in the CBAA Seminar on U.S. Operating Requirements.	1	4	Gift Acceptance

Beijing, China	Participate in training workshop on Public Participation on Administrative Rulemaking.	1	8	Gift Acceptance
Brussels, Belgium	Participate as Chairman in NATO meetings on aviation insurance.	1	7	$2,802
Toronto, Canada	Participate in presentation on Airport Concessions DBE Programs.	1	6	Gift Acceptance
Montreal, Canada	Participate as Speaker in ABA presentation on Air and Space Law.	1	3	Gift Acceptance
Montreal, Canada	Participate as Speaker in ABA presentation on Air and Space Law.	1	4	Gift Acceptance
Brussels, Belgium	Participate as a member of U.S. Delegation in Aviation Negotiations.	1	8	$3,131
Brussels, Belgium	Participate as a member of U.S. Delegation in Aviation Negotiations.	1	8	$2,974
London, England; Brussels, Belgium	To meet with head of UK Transport International Legal Office and to participate in NATO meeting on Indemnification agreements.	1	5	$2,338
Paris, France	Participate in talks with ECAC regarding fractional ownership and disability rules.	1	7	$2,633
Hong Kong, China; Hanoi, Vietnam	Participate in bilateral maritime negotiations.	1	5	$3,436
Brussels, Belgium	Participate in workshop on public participation in administrative rulemaking.	1	6	$2,344
Brussels, Belgium	Participate as Chairman in the NATO Insurance Group meeting.	1	6	$2,832

OFFICE OF ASSITANT SECRETARY FOR TRANSPORTATION POLICY

Through Anchorage, Alaska, USA; to China, and Japan	Staff to Secretary during meetings with ministers	1	6	$1,582
Anchorage, Alaska, USA; to various countries in Asia	Accompany Secretary to Anchorage, Alaska; and participate in bilateral meetings with Japan, India, Thailand and Hong Kong	1	13	$3,507
Amsterdam, Holland	Speech or Presentation	1	5	$1,601
Bangalore, India	Attend State Department India Space Cooperation Summitt	1	6	$7,098
Bangkok, Thailand	Deliver Presentation at International Civil Aviation (ICAO) Aeronautical Communications Panel Meeting	1	7	$2,962
Beijing, China	Staff to Secretary during meetings with ministers	1	9	$1,972
Beijing, China	DOT representative on the US Delegation-participated in US-China aviation negotiations, which resulted in a newly liberalized aviation agreement with China in 2007	1	7	$2,139

Beijing, China	To participate in aviation talks/negotiations with China	1	5	$1,093
Bogota, Columbia	Aviation Negotiations	2	3	$2,989
Brussels, Belgium	Aviation Negotiations	2	5	$4,010
Brussels, Belgium	Aviation Negotiations	3	5	$7,250
Brussels, Belgium	To attend EU Air Services Negotiations	1	3	$2,622
Brussels, Belgium	Aviation Negotiations	2	5	$6,147
Calgary, Canada	Invited to Speak at Canadian Business Aviation Seminar	1	2	$763
Dublin, Ireland	Aviation Negotiations	1	5	$3,027
Geneva, Switzerland	Aviation Negotiations	1	5	$2,530
Kuwait City, Kuwait	Aviation Negotiations	1	5	$3,256
London, England	Deliver Presentation on White House National Policy at Royal Institute of Navigation	1	4	$3,272
London, England	Aviation Negotiations	1	5	$3,276
Mexico City, Mexico	Aviation Negotiations	3	5	$5,198
Mexico City, Mexico	Transportation Meetings	1	7	$1,510
Mexico City, Mexico	Transportation Meetings	1	11	$2,329
Montreal, Canada	Transportation Meetings	1	4	$863
Montreal, Canada	ICAO Passenger Name Record Working Group	1	3	$1,211
Montreal, Canada	Accompany S1 to Canada for bilateral meeting with Canada, and participate in Canadian Airport Council's Open Skies Forum	1	2	$248
Montreal, Canada	Attend Forum on Air & Space Law	1	3	$956
Montreal, Canada	Presentation/Speech	1	2	$1,374
Montreal, Canada	Presentation/Speech	1	2	$1,062
Montreal, Canada	Give Speech at COP & attend Asian Pacific Partnership Meeting	1	6	$3,574

Montreal, Canada	To attend the International Civil Aviation Elections	1	3	$1,110
Montreal, Canada	Attend Safe Skies Meetings with ICAO Director Generals	1	3	$1,181
Moscow, Russia	Aviation Negotiations	1	5	$2,629
Moscow, Russia	Staff the ECMT Ministerial	1	14	$2,407
Mumbai, India	Meetings with Indian Ministers on Transportation	1	3	$859
Munich, Germany	Attend Munich Satellite Navigation Summitt 2005 and Deliver Presentation	2	5	$7,166
Nairobi, Kenya	Safe Skies for Africa-To assist with the stand up of the East African Community (EAC), assisting with stakeholder meetings, planning, and the official ceremonies etc.	1	19	$14,421
Ottawa, Canada	Speech/Presentation	1	1	$260

Paris, France	Attend a meeting with the European Union Competition Authority	1	5	$2,474
Paris, France	Multinational Meeting on IATA Antitrust Issues	1	11	$1,941
Paris, France	Aviation Negotiations	2	5	$3,892
Sao Paulo, Brazil	Staff S-3 at WHTI Ministerial Meeting	1	3	$1,776
Tokyo, Japan	Staff Support to Secretary	1	9	$3,186
Tokyo, Japan	Aviation Negotiations	1	5	$2,133
Tokyo, Japan	Part of Advance Team in Front of Secretary	1	14	$9,181
Toronto, Canada	Speech/Presentation	1	1	$522
Verona, Italy	Staff to Secretary on Aviation Discussions	1	3	$1,789
Vienna, Austria	Deliver Presentation at the UN International Committee on GNSS Conference	1	4	$2,246

Vladivostok, Russia to Seoul, Korea	Chair meetings of APEC Transportation Working Group	1	7	$8,019

OFFICE OF EMERGENCY TRANSPORTATION

Johannesburg, South Africa	To provide opening remarks at a workshop on "Safe Skies for Africa"	1	6	$8,696
Brussels, Belgium	To represent the United States in NATO Civil Aviation Planning Committee and sub-working groups that address and resolve issues related to the provision of civil aviation services for NATO operations. In coordination with NATO Military Authorities develop training exercises for Civil Aviation Experts who advise the military planners on the use of civil aviation resources to execute military plans.	3	7	$8,279

Brussels, Belgium	To represent the United States in NATO Civil Aviation Planning Committee and sub-working groups that address and resolve issues related to the provision of civil aviation services for NATO operations. In coordination with NATO Military Authorities develop training exercises for Civil Aviation Experts who advise the military planners on the use of civil aviation resources to execute military plans.	3	6	$7,202
Brussels, Belgium	To represent the United States in NATO Civil Aviation Planning Committee and sub-working groups that address and resolve issues related to the provision of civil aviation services for NATO operations. In coordination with NATO Military Authorities develop training exercises for Civil Aviation Experts who advise the military planners on the use of civil aviation resources to execute military plans.	2	7	$5,039
Prague, Czechoslovakia	To represent the United States in a NATO sponsored training exercise in coordination with NATO Military Authorities for Civil Transportation Experts	2	8	$6,107

	who advise and assist the military planners on the acquisition and use of civil transportation resources to execute military plans in Article 5 and non-Article 5 NATO operations.			
Ottawa, Canada	To represent DOT in a joint meeting with counterpart staff from Transport Canada to complete the planning process to implement the emergency management of transportation aspects of Goals 8 and 9 of the Trilateral Security and Prosperity Partnership Action Plan.	3	3	$4,586
Brussels, Belgium	To represent the United States in NATO Civil Aviation Planning Committee and sub-working groups that address and resolve issues related to the provision of civil aviation services for NATO operations. In coordination with NATO Military Authorities develop training exercises for Civil Aviation Experts who advise the military planners on the use of civil aviation resources to execute military plans.	2	7	$5,993
Ottawa, Canada	To represent DOT for the transportation aspects of Pandemic flu planning	1	3	$1,680
Brussels, Belgium	To represent the United States in NATO Civil Aviation Planning Committee and sub-	3	7	$6,472

	working groups that address and resolve issues related to the provision of civil aviation services for NATO operations. In coordination with NATO Military Authorities develop training exercises for Civil Aviation Experts who advise the military planners on the use of civil aviation resources to execute military plans.			

OFFICE OF THE ASSISTANT TO THE SECRETARY AND DIRECTOR OF PUBLIC AFFAIRS

Tokyo & Nagoya, Japan; New Delhi & Bangalore, India; Bangkok, Thailand; Hong Kong, China	Provide media relations staff support to the Secretary.	1	7	$6,533

ASSISTANT SECRETARY FOR GOVERNMENT AFFAIRS

London, England; Bologna, Italy; Rome, Italy and Paris, France	Meetings on transportation issues with U.S. business leaders and foreign dignitaries.	1	10	$5,975
Verona, Italy	Meetings on transportation issues with U.S. business leaders and foreign dignitaries.	1	3	$1,828

ASSISTANT SECRETARY FOR ADMINISTRATION

Verona, Italy	Advance Trip & Executive Protection for the Secretary	1	9	$4,463
Milan, Italy	Advance Trip & Executive Protection for the Secretary	1	11	$4,967
Venice, Italy	Advance Trip & Executive Protection for the Secretary	1	7	$3,619
Verona & Milan, Italy	Executive Protection for the Secretary	2	2	$4,879
Beijing, China; Tokyo, Japan	Advance Trip & Executive Protection for the Secretary	1	12	$9,762
Beijing, China; Tokyo, Japan	Advance Trip & Executive Protection for the Secretary	1	8	$7,203
Tokyo, Japan	Advance Trip & Executive Protection for the Secretary	1	11	$9,058
Beijing & Shanghai, China; Tokyo, Japan	Executive Protection for the Secretary	1	7	$3,931

Shanghai, China	Advance Trip & Executive Protection for the Secretary	1	10	$7,187
Vancouver, Canada	Executive Protection for the Secretary	1	4	$560
Vancouver, Canada	Advance Trip & Executive Protection for the Secretary	1	6	$1,234

Foreign Travel Report for 5/1/06 - 4/30/07

Destination	Purpose	No. of Persons	Duration in Days	Cost
OFFICE OF THE GENERAL COUNSEL				
Brussels, Belgium	Participate as DOT legal counsel on the U.S. Delegation team in the U.S. EU negotiations	2	3	$5,969
Brussels, Germany	Attend workshop on public participation in administrative rulemaking	1	3	$2,344
Brussels, Belgium	Chair meeting of the NATO Insurance Group	1	6	$2,832
Ottawa, Canada	Chair meeting of the NATO Insurance Group	1	4	$1,816
Netherlands; Belgium	Chair meeting of the NATO Insurance Group	1	5	$2,596
Beijing, China	Participate in workshop on public participation in administrative rulemaking	1	8	$121
St. Petersburg, Russia & Copenhagen, Denmark	Participate as DOT Legal Counsel on the U.S. Delegation team in the U.S.-Russia Maritime negotiations	1	5	$3,237
Paris, France	Participate in discussions w/the European Civil Aviation Conference	1	6	$2,633
London/Brussels	Meet w/head of UK Transport Int'l Legal	1	4	$2,338

	Office and participate in NATO meeting on indemnification agreements			
Hong Kong/Vietnam	Participate in bilateral maritime negotiations w/Vietnam	1	7	$3,436
Brussels, Belgium	Participate as DOT Legal Counsel on the U.S. delegation team in the U.S.-EU Air Transport Negotiations	1	4	$2,493
Luxemburg; Brussels, Belgium	Head delegation in a diplomatic conference on the Cape Town Rail Protocol	1	14	$1,232

Brussels, Belgium	Participate as DOT Legal Counsel on the U.S. delegation team in the U.S.-EU Air Transport Negotiations	1	8	$3,627
Chengdu, China	Participate in U.S. - China Aviation Negotiations	1	4	$2,509

OFFICE OF ASSITANT SECRETARY FOR TRANSPORTATION POLICY

Dublin, Ireland	Information Meeting	1	8	$2,795
Geneva, Switzerland	DOT representative on GATS Air Annex review	1	5	$2,351
Geneva, Switzerland	To attend a European Civil Aviation Conference (ECAC)-invited to deliver a speech on US business aviation policy and participate in panel discussion on related issues	1	6	$859

Hanoi, Vietnam	To chair the 27th Meeting of the APEC Transportation Working Group.	1	11	$12,031
Montreal, Canada	To participate in a development forum on maximizing civil aviations economic contribution sponsored by the International Civil Aviation Organization	3	4	$4,730
Paris, France	To participate in Aviation negotiations: US-Europe	1	6	$2,976
Arusha, Tanzania	To meet with Director Generals from the EAC States (Kenya, Tanzania & Uganda) and the EAC Secretariat. To meet with Minister of Commerce, Industry, Investment Promotion, Tourism.	2	9	$21,055

Mexico City, Mexico	To lead a USDOT delegation including representatives from FMCSA, and meet with Mexican officials from the Office of Communications and Transportation to finalize procedures for the application, selection, inspection and operation of US & Mexican commercial truck carriers participating in pilot project to provide cross border services under NAFTA agreement	1	3	$1,158
Montreal, Canada	To attend the ICAO/ACI Air Transport Outlook Air Meetings and Forum	1	6	$1,864
Kingstown, Jamaica	To attend the Western Hemisphere Transport Initiative Executive Committee Meeting	1	5	$1,451

Bangkok, Thailand	To speak at the Thai-US Logistics Fair and Symposium 2006 (Airfare, lodging, and local transportation paid by sponsor)		12	$112
Cape Town, South Africa	To attend the 15th Annual African Aviation Conference on Air Finance for Africa	2	11	$21,468
Dubai, United Arab Emirates	Speech or Presentation	1	5	$2,699
Montreal, Canada	Conference Attendance- Air Navigation: Flying through Congested Air Skies	1	3	$1,212
Paris, France	Conference Attendance	1	3	$1,010
Reykjavik, Iceland	IPHE Steering Committee-Represented the US and DOT at Climate Meetings	1	3	$3,452

Vancouver, Canada	To attend the 28th APEC Transportation Working Group meeting and serve as US Head of Delegation and will be joined by reps from FAA, FTA, NHTSA, MARAD, DHS, DOS and industry	2	7	$4,871
Ontario, Canada	To attend Transport Border Working Group to represent OST's Security & Prosperity Partnership agenda		3	$1,228
Paris, France	To attend the ECAC Task Force Meeting - Official Government gift travel	1	4	$679
Brussels, Belgium	To discuss the pending actions on aircraft emissions standards with EU officials	1	5	$2,810
Cancun, Mexico	To participate in Aviation Conference-Airfare and Accommodations paid for by the Sponsor	1	5	$473
London, England	Annual meeting that brings together an international group from private and public sectors	1	4	$619
Saltillo, Mexico	To attend Joint Working Committee on Border Planning with Mexico	1	4	$2,794
Tokyo, Japan	To participate in the US-Japan Air Services negotiations, DOT representation on the	2	4	$3,673

	US Delegation			
Beijing, China	To participate in aviation meeting with the Assistant Secretary and China	2	5	$10,218
Lagos, Nigeria	Participate in Nigerian Maritime Conference and Special APEC Heads of Delegation Meeting	3	10	$32,615
Brussels, Belgium	US-EU Aviation Negations	2	5	$4,701
Beijing, China	To participate in Bilateral Air Service talks and negotiations with China	3	7	$16,550
Paris, France	Conference Attendance	1	4	$2,076
Brussels, Belgium	Air Services negotiations - to participate in EU-US agreement talks and negotiations with the Belgium government	2	8	$6,888
Geneva, Switzerland	Information Meeting-review of the WTO/GAT's Annex on Air Transport Services	1	6	$2,433
Monterrey, Mexico	Site Visit and to participate in Border Inspection event with the Secretary	1	3	$419
Adelaide, Australia	Conference Attendance	1	7	$14,240

Praia, Cape Verde	To make presentation at the Banjul Accord Group COSCAP meeting and meet with the Director General of Civil Aviation of Cape Verde and the US Ambassador to Cape Verde to discuss transportation matters.	1	9	$8,526
Addis Ababa, Ethiopia	In Ethiopia to attend an aviation sector donor and private sector meeting hosted by the African Union and others.	1	17	$7,995
Beijing, China	Site Visit-Travel to Beijing and Shanghai, China with the Secretary	1	5	$1,115
Chengdu, China	DOT representative on the US Delegation-participated in US-China aviation negotiations, which resulted in a newly liberalized aviation agreement with China in 2007	2	7	$11,501
Cologne, Germany	Sponsored travel to deliver a speech and make a presentation	1	4	$235
Kingstown, Jamaica	To attend Western Hemisphere Transportation Initiative meetings	1	4	$1,579
Paris, France	To attend European Civil Aviation Conference (ECAC) talks and negotiations	3	5	$6,908
Sao Paulo, Brazil	IPHE Committee Meeting-Representing DOT interest in hydrogen development, as	2	5	$5,132

Singapore	Acting Steering Committee Co-Chair To conduct APEC business with government discussions and attendance at APEC Working Group Meeting and in Nigeria, discussions with government officials re: funding new projects	1	13	$14,656

OFFICE OF INTELLIGENCE, SECURITY AND EMERGENCY RESPONSE

Brussels, Belgium	To represent the United States in a series on NATO Civil Emergency Planning meetings to resolve issues related to the use of civil aviation resources to support NATO operations.	2	8	$5,736
Warsaw, Poland	To represent the United States in a series on NATO Civil Emergency Planning meetings to resolve issues related to the use of civil aviation resources to support NATO operations.	2	9	$4,597
Brussels, Belgium	To represent the United States in a series on NATO Civil Emergency Planning meetings to resolve issues related to the use of civil aviation resources to support NATO operations.	2	6	$5,062
Brussels, Belgium	To represent the United States in a series on NATO Civil Emergency Planning meetings to resolve issues related to the use of civil aviation resources to support	2	8	$6,784

NATO operations.

OFFICE OF THE ASSISTANT TO THE SECRETARY AND DIRECTOR OF PUBLIC AFFAIRS

Montreal, Canada	Meetings on transportation issues with U.S. business leaders and foreign dignitaries.	1	2	$393

OFFICE OF GOVERNMENTAL AFFAIRS

Russia	Accompany Deputy Secretary visit with Transportation Delegation	3	8	$14,311

OFFICE OF THE CHIEF INFORMATION OFFICER

London, England; Stockholm, Sweden; and Oslo, Norway	Speak regarding Shared Services at a conference session; participate in a study group on Congestion Initiative; attend a series of events associated with Nobel Peace prize.	1	7	$2,455

WORKING CAPITAL FUND

Abu Dhabi & Dubai, United Arab Emirates	Provide Executive Protection for the Secretary	2	11	$19,665
Monterrey, Mexico	Provide Executive Protection for the Secretary	1	5	$3,069
Shanghai, China	Provide Executive Protection for the Secretary	1	9	$9,477
Beijing, China	Provide Executive Protection for the Secretary	1	11	$9,614
Shanghai & Beijing, China	Provide Executive Protection for the Secretary	2	5	$2,665

Destination	Purpose	No. of Persons	Duration in Days	Cost
IMMEDIATE OFFICE OF THE SECRETARY				
Panama City, Panama	To support U.S. companies seeking to win contracts on the upcoming Panama Canal Expansion Project, and in the expansion of related transportation infrastructure and supply chain management in Panama, to emphasize the strong role that U.S. companies and U.S. technologies have played, and will play in the development of Panama's transportation and to support and participate in Expo Trans 2007, a transport trade conference, by delivering the keynote opening address to the group and the attending Panamanian officials.	4	2	$4,578
Canada	To deliver remarks at the 36th International Civil Aviation Organization (ICAO) General Assembly	4	1	$1,258
Madrid, Spain; Berlin, Germany; Paris, France; London, England	To meet with Government and Industry officials to discuss Public Private Partnership,	2	6	$10,734

	congestion, and infrastructure development to meet with Government and Industry officials to discuss Public Private Partnership, congestion, and infrastructure development			
OFFICE OF THE GENERAL COUNSEL				
Moscow, Russia	Attend Aviation Negotiation meetings	1	4	$3,361

Istanbul, Turkey	Chair meeting of the NATO Insurance Group	1	4	$2,227
Mexico City, Mexico	Meeting w/Mexico SCT officials concerning US DOT demonstration project	1	2	$1,371
Montreal, Canada	Attend Negotiation of Rome Convention	1	4	$1,891
Bern, Switzerland	Attend Cape Town Convention meeting	1	4	$2,273
Beijing, China	Attend Aviation Cooperation Program (ACP) w/DOT Assistant Secretary Andrew Steinberg	1	12	$8,150
Tokyo, Japan	Aviation negotiations w/Government of Japan	1	5	$2,466
Berlin, Germany	Participate as co-chairman of the Rail Preparatory Commission at meeting on liability insurance issues with respect to the creation of the Int'l Rail Registry	1	3	$2,253
Amsterdam, Netherlands & Brussels, Belgium	Participate in NATO Aviation Indemnification Agreements and Unidroit Rail Protocol meetings	1	4	$2,166
Brussels, Belgium	Chair meeting of the NATO Insurance Group	1	5	$2,884
Geneva, Switzerland	Speak at World Trade Organization's Technical Barriers on how the U.S. decides on the need for	1	5	$3,634

	rulemaking/attend meeting with European and Indian reps concerning Indian regulations on tires			
Brussels, Belgium	Attend Air Passenger Rights for Disabled People Conference	1	3	$4,404

Rome, Italy	Participate as co-chair of the Preparatory Commission on the Rail Industry in the Second Preparatory Commission meeting	1	5	$3,559
Montreal, Canada	Participate in the second week of the ICAO Legal Committee meeting on the Rome Convention as the US delegate	1	5	$2,296
Montreal, Canada	Represent USG at ICAO Legal Committee Meeting	1	5	$2,290

OFFICE OF ASSITANT SECRETARY FOR TRANSPORTATION POLICY

Geneva, Switzerland	To participate on a panel and deliver a presentation on US Licensing of EU Commercial Air Operators	1	7	$669
Mexico City, Mexico	Meet with Mexican members of the Cross-border trucking monitoring group as well as DCM at US Embassy Mexico for discussions and consultations	1	3	$1,397
Montreal, Canada	To attend the ICAO Colloquium on Aviation and Environmental Emissions with an Exhibition at ICAO Headquarters	2	4	$2,619
Moscow, Russia	To participate in Aviation negotiations with Government of Russia	2	5	$6,147
Panama City, Panama	To provide staffing for	2	4	$2,321

	DOT Secretary's trip to Panama			
Ramstein AFB, Germany	Attend a conference sponsored by the African Center for Strategic Studies taking place at Ramstein AFB, Germany. The Safe Skies for Africa Program will be discussed during this conference and workshops.	2	4	$1,836
Beijing, China	Sponsored travel to Beijing, China to present a speech on Aviation	1	6	$100
Brussels, Belgium	Conference Attendance - US-Europe Aviation Security Policy Conference	1	6	$4,203
Brussels, Belgium	To testify at European Parliament Meetings with Portuguese officials re: Transport Issues	1	6	$4,050
Geneva, Switzerland	To attend and make a presentation at IATA Conference. Participated in discussions with WHO.	1	5	$1,019
Sofia, Bulgaria	To attend International Transport Forum Meeting in Sofia, Bulgaria	2	5	$5,644

Brussels, Belgium	Consultation with European Commission's Directorate General for Competition	1	6	$2,373
Santa Cruz, Bolivia	Represented the US at the (LACAC) Latin American Civil Aviation Commission Meetings and held consultation with the governments of Bolivia and Paraguay	1	7	$2,263
Taipei, Taiwan	Attend conferences as US Head of Delegation for APEC and African Growth and Opportunity Act (AGOA)	2	12	$19,454
Tokyo, Japan	Aviation negotiations with Government of Japan	1	5	$2,045
Beijing, China	The Department is engaged in ongoing technical cooperation with the General Administration of Civil Aviation of China (CAAC). A US delegation will make presentations to the CAAC and visit Beijing, Urumqi, and Shanghai	4	13	$17,639
Quebec, Canada	To attend Meeting Planners International (MPI) 2007 World Congress Training Conference	1	5	$2,671
Brussels, Belgium	Meeting w/ DG Competition, European Commission	1	8	$3,186
Montreal, Canada	To attend and participate in the ICAO Assembly	3	12	$12,752

Montreal, Canada	To attend ICAO Meeting on Africa strategy, ICAO assembly opening and participate in bilateral and multilateral meetings	2	5	$3,525
Tokyo, Japan	To participate in the US-Japan Air Services negotiations, DOT representation on the US Delegation	2	6	$4,881
Geneva, Switzerland	Information Meeting	1	6	$901
Mexico City, Mexico	Meeting Mexican officials to implement NAFTA Trucking Provisions (Cross Border Demonstration Program).	1	4	$1,749
Paris, France	International Transport Forum Transport Management Board meeting	1	5	$3,047
Brussels, Belgium	US-EU Aviation Negations	2	7	$6,470
Cape Town, South Africa	To attend the Corporate Council on Africa Business Summit	2	7	$22,660
London, England	Presentation to the Second Annual Euro Roads Conference	1	6	$4,236

Ontario, Canada	US rep at meeting of OECD-ECMT JTRC working group on GHG mitigation strategies in the transport section and present at related workshop	1	4	$1,759
Rome, Italy	Negotiations w/ Government of Italy	1	6	$2,570
Toronto, Canada	At request of Former Secretary Peters, delivered the Keynote Luncheon Address to the delegates of the Canadian Council for Public-Private Partnerships (CCPPP) National Conference	1	2	$995
Madrid, Spain	To discuss Public-private Partnership on Congestion and Infrastructure Development	3	7	$8,687
Mexico City, Mexico	To participate in US-Mexico Joint Working Committee on Transportation Planning meeting	1	4	$2,163
Nairobi, Kenya	To meet with Ministry of Transport and civil aviation officials to discuss KCAA desire to achieve FAA Cat 1 and to Entebbe/Hampala, Uganda to meet with officials of the EAC	2	10	$23,757

	Regional Safety and Security Oversight Organization			
Rio de Janeiro, Brazil	Negotiations w/ Government of Brazil	2	6	$4,591
Montreal, Canada	To meet with ICAO officials regarding the comprehensive action plan for Africa and to the FAA Aeronautical Center in OKC to meet newly appointed officials responsible for overseeing Safe Skies related training and to discuss schedule for updating facilities assessments for the East African Community	1	8	$3,000
Rome, Italy	Negotiations w/ Government of Italy	2	5	$5,692
Montreal, Canada	To attend the AFI Comprehensive Implementation Program meeting	1	3	$1,409
Montreal, Canada	Facilitation Panel ICAO	1	6	$2,190
London, England	Staffed Former Secretary Peters during the announcement of Public-Private Partnership initiative in Madrid		7	$10,031
Brussels, Belgium	US and Europe Union Public Administration Meetings and Training	1	8	$3,204
Cape Town, South Africa	AGOA Conference	8	10	$70,817
Helsinki, Finland	2009 Task Force and Transport Management Board meeting	1	6	$2,670

Montreal, Canada	ICAO EU Symposium on regional Organizations	1	3	$1,389
Moscow, Russia	To participate in US Delegation to the Steering Committee Meeting in Moscow	1	5	$3,785
Rome, Italy	Negotiations w/ Government of Italy	1	5	$2,530
Warsaw, Poland	US-EU Alliance Interviews	3	7	$16,664
Zagreb, Croatia	Open Skies Aviation negotiations with Croatia	1	5	$2,730

OFFICE OF INTELLIGENCE, SECURITY AND EMERGENCY RESPONSE

Istanbul, Turkey	To represent the United States in a NATO Civil Aviation Indemnification to resolve issues related to the use of civil resources to support NATO operations.	1	5	$2,790

Brussels, Belgium	To represent the United States in a series on NATO Civil Emergency Planning meetings to resolve issues related to the use of civil aviation resources to support NATO operations.	2	8	$7,798
Brussels, Belgium	To represent the United States in a series on NATO Civil Emergency Planning meetings to resolve issues related to the use of civil aviation resources to support NATO operations.	4	8	$15,830
Munich, Germany	To represent the United States in a series on NATO Civil Emergency Planning meetings to resolve issues related to the use of civil aviation resources to support NATO operations.	2	8	$6,967

Brussels, Belgium	To represent the United States in a series on NATO Civil Emergency Planning meetings to resolve issues related to the use of civil aviation resources to support NATO operations.	2	8	$6,673
Brussels, Belgium	To represent the United States in a series on NATO Civil Emergency Planning meetings to resolve issues related to the use of civil aviation resources to support NATO operations.	2	7	$7,003

OFFICE OF THE ASSISTANT TO THE SECRETARY AND DIRECTOR OF PUBLIC AFFAIRS

Panama	Meetings on transportation issues with U.S. business leaders and foreign dignitaries.	1	3	$593

Los Angeles, CA; Monterrey, Mexico; Nogales, Arizona	Meetings on transportation issues with U.S. business leaders and foreign dignitaries.	1	3	$1,269
Ottawa, Canada	Meetings on transportation issues with U.S. business leaders and foreign dignitaries.	1	3	$1,497

OFFICE OF GOVERNMENTAL AFFAIRS

Sweden; Netherlands; Turkey; and Greece	Accompany Congressional Staffers to visit various Transportation Delegations and sites	2	13	$14,550
Calgary, Ottawa and Montreal Canada	Accompany Congressional Appropriations Staffers to visit various transportation sites	1	8	$3,937
Madrid, Spain; Berlin, Germany; Paris, France & London, United Kingdom	Accompany South Carolina Governor to visit various Transportation Delegations and sites	2	7	$6,127
Montreal, Canada	Accompany Congressional Staffer(s) to discuss transportation issues	1	2	$355

WORKING CAPITAL FUND

Panama City, Panama	Provide Executive Protection for the Secretary	3	7	$6,096
Montreal, Canada	Provide Executive	3	6	$3,708

	Protection for the Secretary			
Ghana; South Africa; Uganda; Cape Verde	Provide Executive Protection for the Secretary	2	10	$3,017

Foreign Travel Report for 5/1/08 - 4/30/09

Destination	Purpose	No. of Persons	Duration in Days	Cost
IMMEDIATE OFFICE OF THE SECRETARY				
Ankara, Turkey	White House Fellows Mission	1	12	$4,082
Kuwait City, Kuwait; Abu Dhabi, United Arab Emirates; Baghdâd, Iraq; Muscat, Oman; Kabul, Afghanistan	To reinforce U.S. message of strong friendship with Government Officials, discuss future transportation cooperation, and to note DOT accomplishments and contributions to the reconstruction effort in Iraq and Afghanistan.	7	9	$38,870
Ottawa, Canada	To participate at the U.S.-Canada-Mexico Trilateral Transportation Meeting	4	1	$8,238
Sydney, Australia	Travel with the Acting Under Secretary to meet on P3's and see the transportation Technology in Australia	2	12	$15,834
Mexico City, Mexico	Bilateral Meeting with Mexican Secretary of Communications and Transport	2	1	$912
OFFICE OF THE GENERAL COUNSEL				
Ljubljana, Slovenia	Participate in EU Aviation Negotiations	1	5	$3,548
Geneva, Switzerland	Speak at the Spring EBACE Conference	1	5	$3,216
Brussels, Belgium	Participate as co-chair of the Cape Town Rail Preparatory Commission	1	3	$3,252

	in a meeting to address outstanding issues with respect to the contract to be negotiated with the Registrar			
London, England	Attend Int'l Assoc. of Assistance Dog Partners Annual Conference	1	2	$1,983
Brussels, Belgium	Attend European Civil Aviation Conference/meet w/U.S.-EU Joint Committee	1	3	$2,366

Switzerland; Russia	Air services negotiations between USA & Switzerland, and air services negotiations between USA and Russian federation	1	9	$5,097
Montreal, Canada	Meetings at Int'l Civil Aviation Organization headquarters	1	1	$1,114
Sydney, Australia	Travel w/DOT Secretary	2	8	$9,666
Bucharest, Romania	Attend training on effectively implementing EU Passengers with reduced mobility regulations	2	5	$7,619
San Jose/Bogota	Present at FTC-sponsored "International Conference on Consumer Protection"	1	3	$1,952
London, England; Stockholm, Sweden	Negotiate the rail registry contract for the Cape Town International rail registry	1	4	$2,957
Montreal, Canada	Speak at the ABA Montreal Conference	1	1	$2,663
Montreal, Canada	Panelist at ABA Annual Meeting	1	4	$4,728
Hong Kong/CEBU	Speak at World Airline Consumer Relations Assoc. Annual Meeting	1	5	$5,176
Mexico City, Mexico	Discussions w/Mexico's Secretariat of Communications and Transportation on long-haul motor carrier issues	1	3	$1,649
Brussels, Belgium	Attend US/EU Joint Committee meeting	1	4	$2,703
Antalya, Turkey	Participate in NATO training exercise with respect to use of civil airlift	1	5	$2,936
Tokyo, Japan	Participate as DOT Legal Counsel on the U.S.-Japan	1	5	$3,096

	Air Transport Negotiations			
Paris, France	Attend and participate in the DOT sponsored Disability Forum	1	7	$3,894
Paris, France	Attend DOT Disability Forum	1	5	$2,987
Paris, France	Attend DOT Disability Forum	1	4	$2,795

Paris, France	Attend DOT Disability Forum	1	5	$2,969
Paris, France	Attend DOT Disability Forum	2	3	$6,865
Paris, France	Attend European Civil Aviation Conference	1	11	$3,503
Paris, France	Attend DOT Disability Conference	1	5	$3,466
Brussels, Belgium	Participate in NATO meeting addressing lessons learned from October NATO exercise and to chair the NATO Insurance Group meeting	1	5	$3,182
Paris, France	ECAC & Joint Committee meetings w/EU aviation officials	1	4	$2,752
Brussels, Belgium	Participate in the NATO Civil Aviation Planning Committee Meeting	1	4	$2,592
Montreal, Canada	Participate in the diplomatic conference to consider two draft int'l conventions addressing damage on the ground caused by aircraft	1	6	$4,707
Singapore	To monitor disability rights training being given in Singapore to several Asian airlines	1	8	$5,548
OFFICE OF ASSITANT SECRETARY FOR TRANSPORTATION POLICY				
Arusha, Tanzania	Leon Sullivan Summit VIII	2	11	$6,576
Boras, Sweden	Member US Delegation-ISO Noise Standards Meetings	1	9	$3,163
Kuwait; Abu Dhabi	Accompany the Secretary for Bi-Lateral Meetings	2	9	$8,025
Leipzig, Germany	International Transport Forum	3	5	$11,935
Ljubljana, Slovenia	Stage 1 US-EU Aviation Negotiations Agreement	2	12	$7,794

Paris, France	OECD/ECMT Joint Transport research Centre Workgroup	1	7	$2,510
Shanghai, China	Keynote Address-SED IV Issues	1	7	$3,499
Bogota, Columbia	LACAC Conference	1	5	$2,392
Brussels, Belgium	Transatlantic Aviation Issues Conference	1	5	$3,537
Ontario, Canada	2nd N.A. Trilateral Transportation Meeting	2	2	$2,493
Ontario, Canada	Staffing Support for the Secretary at the Trilateral Meetings with Canada	2	2	$1,975
Vancouver, Canada	US-EU Alliance Interviews with US Carriers	2	7	$6,920
Bern, Switzerland	Negotiations w/ Swiss Civil Aviation Authority	1	5	$2,036
Brussels, Belgium	Participation in Aviation Talks-Brussels, Bern, Zurich and Moscow	2	12	$10,241
Brussels, Belgium	US-EU Aviation Negations	1	5	$3,035
Montreal, Canada	US-EU Alliance Project Interviews with Canada	3	3	$2,839
Montreal, Canada	Agenda for Freedom Negotiations	1	2	$1,018
Montreal, Canada	To meet with ICAO officials to discuss process for proceeding with technical assistance to the Republic of Djibouti	1	3	$1,251

Moscow, Russia	To participate in negotiations	1	13	$3,417
Nairobi, Kenya	To meet with Ministry of Transport and civil aviation officials to discuss KCAA desire to achieve FAA Cat 1 and to Entebbe/Hampala, Uganda to meet with officials of the EAC Regional Safety and Security Oversight Organization	2	12	$11,368
Paris, France	US-EU Alliance Project	3	9	$37,113
Sydney, Australia	Delegation trip to Australia to learn more about public private partnerships and congestion pricing and meet with representatives of both the public and private sectors to discuss important issues	1	9	$6,762
Arusha, Tanzania	GASP Workshop	1	11	$7,837

Lima, Peru	To attend the 31st Asia-Pacific Economic Cooperation (APEC) Transportation Working Group meeting	1	9	$3,312
Barcelona, Spain	To participate in a multinational strategies meeting on critical transportation issue.	1	6	$1,806
Beijing, China	DOT representative in US China Air Services negotiations	2	11	$8,423
Montreal, Canada	ICAO - conference on Economics on airports and air navigation services	1	8	$3,367
Montreal, Canada	To participate as speaker for Annual Meeting and Conference of the Air & Space Law: Global Perception	2	3	$2,431

Paris, France	2009 International Transport Forum in Paris-France	1	5	$2,944
Tokyo City, Japan	To participate in Ministerial Conference on Global Environment and Energy in Transportation	1	6	$3,091
London, England	DOT-DG Competition Alliance Research Project	3	9	$14,696
Montreal, Canada	AFI Steering Committee meetings	1	3	$1,404
Montreal, Canada	To participate in the International Civil Aviation Organization (ICAO) and International Air Transport Association (IATA) Roundtable Discussion	2	4	$3,570
Montreal, Canada	ICAO AFI Steering Committee Meeting	1	3	$1,632

Mexico City, Mexico	Organize and staff the USDOT Secretary's trip to Mexico City for US Mexico Bilateral Meeting on Transportation issues.	3	2	$1,282
Beijing, China	To participate in the First World Route Development Forum	2	6	$7,536
Istanbul, Turkey	ITF meeting to represent the US government on the Transport Management Board, which manages the ITF, and to participate in final preparations for the Ministerial meeting	1	6	$2,897
Brussels, Belgium	To attend the IPHE Steering Committee meeting	1	5	$3,881
Vancouver, Canada	Asia-Pacific Partnership on Clean Development and Climate 6th Policy and Implementation Committee	1	4	$1,893
Beijing, China	Preparatory meeting for the US China Strategic Economic Dialogues	1	7	$10,164
Beijing, China	US China Transportation Forum and Strategic Economic Dialogue V	3	9	$14,295
Mexico City, Mexico	To represent DOT at meetings with Mexican government officials regarding Caltrans' Otay Mesa East border crossing	1	2	$1,315
Beijing, China	To participate as speaker at the Inaugural Conference of the APEC Port Services Network and the First Session of the APSN Council	1	5	$4,790
Beijing, China	To participate in US China Air Services negotiations and represent DOT on the US delegations.	1	16	$7,232

London, England	To give a speech outlining US policy on current international aviation issues at the Future of Civil Aviation Conference	4	$837

Shanghai, China	To participate and speak at the American Society of Transportation and Logistics Conference	1	7	$3,838
Toronto, Canada	Speaker on "Financing Transportation Infrastructure"	1	2	$1,068
Manila, Philippines	To attend and participate in APEC Transportation Working Group First Drafting Meeting	1	7	$4,042
Johannesburg, South Africa	Meet with civil aviation authorities of Rwanda and airport site tours; meet with civil aviation authorities of Burundi; participate as delegate in ICAO meeting in Durban; attend meeting of Southern African Development Community officials and discuss Safe Skies regional assistance	1	23	$13,140

Tokyo City, Japan	To attend MEET Ministerial Conference	2	6	$7,289
Curacao	Invited by the kingdom of the Netherlands to discuss what options the dutch antilles would have after they gain independence on Oct 10, 2010 and met with the dutch antilles government about how to preserve our open skies relationship post-independence	1	4	$546
Paris, France	To participate in ECAC Meeting and EU Joint Committee Meeting	3	5	$8,657
Hong Kong, China	US Head of Delegation to Asia Pacific Economic Cooperation (APEC) Transportation Working Group (TPT) 2nd Draft Meeting to finalize the 2009 Ministerial documents and plan for upcoming APEC TPT.	1	8	$3,483
Brussels, Belgium	US-EU Alliance Project with DG Comp	2	7	$6,720
Kenya, Uganda	To meet w/ Directors General of Civil Aviation for Kenya, Tanzania, and Uganda for a management review of Safe Skies project delays and to jointly develop an action plan to get projects back on business/action plan schedule	1	6	$4,023
Manila, Philippines	6th APEC Transportation Ministerial Meeting	2	6	$8,267
Djibouti City, Djibouti	ICAO initial mgmt oversight team meeting for Djibouti Safety Oversight Project	1	8	$7,217
Istanbul, Turkey	To attend the meeting of the Task Force and	1	4	$3,682

	Transport Management Board			
Dakar, Senegal	To represent the Department and a presenter at the Seminar for Civil Aviation, Security and Airport Authorities: African Aviation Operations to the US.	1	7	$2,982
Geneva, Switzerland	GATS Air Annex Review	1	5	$2,337

OFFICE OF INTELLIGENCE, SECURITY AND EMERGENCY RESPONSE

Brussels, Belgium	To represent the United States in a series on NATO Civil Emergency Planning meetings to resolve issues related to the use of civil aviation resources to support NATO operations.	2	8	$8,026
Brussels, Belgium	To represent the United States in a series on NATO Civil Emergency Planning meetings to resolve issues related to the use of civil aviation resources to support NATO operations.	2	6	$7,290
Davos, Switzerland	To represent DOT in the International Disaster Reduction Conference dedicated to the impacts and effects of climate change. This significant	1	7	$7,357

	event brought together climate scientists and disaster managers from throughout the world to begin to address the impacts of climate on disaster probabilities, impacts, and mitigation measures.			
Brussels, Belgium	To represent the United States in a series on NATO Civil Emergency Planning meetings to resolve issues related to the use of civil aviation resources to support NATO operations.	2	10	$3,708
Ottawa, Canada	To represent USDOT in development of mutually supporting emergency preparedness and response actions under the Tri-lateral Security and Prosperity Partnership Agreement between Canada, Mexico and the United States.	1	5	$1,092
Brussels, Belgium	To represent the United States in a series on NATO Civil Emergency Planning meetings to resolve issues related to the use of civil aviation resources to support NATO operations.	3	7	$9,879

Brussels, Belgium	To represent the United States in a series on NATO Civil Emergency Planning meetings to resolve issues related to the use of civil aviation resources to support NATO operations.	1	5	$3,708
Brussels, Belgium	To represent the United States in a series on NATO Civil Emergency Planning meetings to resolve issues related to the use of civil aviation resources to support NATO operations.	2	7	$8,565

OFFICE OF THE ASSISTANT TO THE SECRETARY AND DIRECTOR OF PUBLIC AFFAIRS

Uganda; Ghana & Cape Verde	Travel with Deputy Secretary, Meetings on transportation issues with U.S. business leaders and foreign dignitaries.	1	10	$1,367
Kuwait City, Kuwait; Dubai, United Arab Emirates	Meetings on transportation issues with U.S. business leaders and foreign dignitaries.	1	8	$4,375

OFFICE OF GOVERNMENTAL AFFAIRS

Paris ,France; London, United Kingdom; Madrid, Spain	Accompany Congressional Staffers to visit various Transportation Delegations and sites	2	10	$12,005
Sydney, Australia	Accompany Georgia Transportation Secretary to visit various transportation sites and initiatives	2	9	$12,453

WORKING CAPITAL FUND

Kuwait; Iraq; Afghanistan; Turkey; Germany	Provide Executive Protection for the Secretary	1	16	$5,953
Kuwait; Iraq; UAE; Afghanistan; Turkey; Germany	Provide Executive Protection for the Secretary	2	10	$12,664
Kuwait	Provide Executive Protection for the Secretary	1	15	$7,634
Dubai, United Arab Emirates	Provide Executive Protection for the Secretary	1	11	$6,538

Ottawa, Canada	Provide Executive Protection for the Secretary	3	8	$5,372
Madrid, Spain	Provide Executive Protection for the Secretary	1	10	$5,060
Berlin, Germany	Provide Executive Protection for the Secretary	1	9	$4,769
Paris, France	Provide Executive Protection for the Secretary	1	8	$4,935
London, England	Provide Executive Protection for the Secretary	1	6	$3,945
Madrid, Spain; Berlin, Germany; Paris, France; London, England	Provide Executive Protection for the Secretary	2	6	$5,263

Foreign Travel Report for 5/1/09 - 4/30/10

Destination	Purpose	No. of Persons	Duration in Days	Cost
IMMEDIATE OFFICE OF THE SECRETARY				
Paris and Strasbourg, France; Rotterdam, The Netherlands; Leipzig and Ramstein Germany; Madrid, Spain	In Germany, to participate at the International Transport Forum (ITF), to be held in Leipzig, and, deliver keynote remarks at the ITF on the transportation component of the United States stimulus and recovery effort, participate in Ministerial discussions on global transportation issues, engage in bilateral meetings with Transport Ministers and participate in a press event on the results of the ITF Ministerial Meeting. In France and Spain, to meet with Government and national railways officials to discuss the development of high-speed rail. In The Netherlands to meet with port officials.	7	6	$4,578
Prague, Czech Republic; and Moscow, Russia	To attend and participate at the First Global Ministerial Conference on Road Safety in Moscow, Russia and In the Czech Republic to meet with his counterparts and U.S.	5	4	$13,061

industry officials to
discuss cooperation on
road safety, development
of infrastructure and the
American Recovery and
Reinvestment Act.

Mexico City, Mexico; Panama City, Panama; Brasilia and Rio de Janeiro Brazil; Port au Prince, Haiti	To continue development of the U.S.-Mexico transportation relationship and to discuss specific high priority issues of mutual interest. To be briefed on the Panama Canal Expansion Project and demonstrate U.S. interest in the project both for the participation of U.S. firms during its construction and for the broader impact that it will have on the U.S. economy. Emphasize our interest in a continuing collaborative relationship.	7	6	$22,630

To experience the
Panama Canal. To Sign a
Highway-related
technical collaboration
between DOT/FHWA
and Brazil Ministry of
Transport. To discuss
Aviation Cooperation
Program (ACP) and to
affirm the Minister's
support of a U.S. Brazil
ACP. To discuss
development of
transportation
infrastructure for special
events (World Cup in
2014 and the Rio
Olympics in 2016) with
representatives from the
Government of Rio de
Janeiro. To hear
firsthand from the Haitian
Minister of transport
about types of
maritime/aviation/transpo
rtation-related assistance
Haiti may need.

Shanghai & Beijing, China	To meet with the Ministers of Communications, Civil Aviation, Railways, and Construction in Beijing, meet with port and airport officials in Shanghai. Secretary Peters will discuss the development and build up of China's transportation infrastructure, promote U.S. transportation firms' participation on this development, and discuss U.S. efforts to conclude a phased-in open skies agreement.	5	4	$22,630
OFFICE OF THE GENERAL COUNSEL				
Paris, France	Attend DOT Disability Forum	1	4	$2,228
Dubai, United Arab Emirates	Keynote Speaker at the Middle East Forum for Accessible Tourism	1	7	$5,192
Paris, France	Attend DOT Disability Forum	1	4	$2,753
Paris, France	Attend Forum for foreign airlines on disability rights & attend meeting w/ECAC	1	5	$3,647

Paris, France	Represent FAA at DOT meeting to address conflict of law waivers associated w/CFR Part 382/to attend DOT Disability Forum	2	3	$6,238
Paris, France	Attend European Civil Aviation Conference (ECAC)/meet w/U.S.-EU Joint Committee in preparation for implementation of the second-stage U.S. Agreement, etc.	1	4	$2,833
Paris, France	Presenting at Disability Forum/attending ECAC meeting	1	4	$2,731
Paris, France	Attend DOT Disability Forum	1	8	$4,682
Paris, France	Attend DOT Disability Forum to discuss recent Air Carrier Access Act rulemaking	1	10	$1,151
Brussels, Belgium	Participate in NATO Civil Aviation Working Group meeting	1	5	$2,971
Brussels, Belgium	Lawyer for DOT delegation negotiating civil aviation issues with the European Union and its Member States	1	7	$4,400
Tokyo, Japan	Served as DOT counsel	1	5	$3,083

	for bilateral economic air services agreement between the U.S. and the Government of Japan			
Bern, Switzerland	Chair meeting of the Cape Town Rail Preparatory Commission	1	5	$2,916

Montreal, Canada	Participate in initial preparatory committee meeting with respect to the implementation of the Unlawful Interference Compensation Convention	1	1	$1,227
Luxembourg, Luxemborg	Meeting w/Government of Luxembourg regarding their host country status & meet w/Rail Preparatory Commission Working Group	1	3	$2,634
Antwerp, Belgium	Participate in the 2009 NATO Transportation Training Seminar	1	4	$2,268
Tokyo, Japan	Participate in Open Skies negotiations with Government of Japan	1	7	$4,370
Tokyo, Japan	DOT/OST/Office of the Aviation Enforcement & Proceedings conduct Disability Forum for a Asian Airlines regarding ACAA regulations	1	6	$3,609
Antwerp, Belgium	Participate in the 2009 NATO Transportation Training Seminar	1	4	$2,268
Tokyo, Japan	Participate in Open Skies negotiations with Government of Japan	1	7	$4,370
Ottawa, Canada	Co-chair the NATO Insurance Group/Civil Aviation Planning	1	2	$1,101

	Committee meeting			
Brussels, Belgium	Participate in Civil air negotiations with the European Union	1	5	$3,303
Moscow, Russia & Czech Republic	Travel w/DOT Secretary to attend the First Global Ministerial Conference on Road Safety	1	8	$3,172

Hong Kong, China	DOT forum on the Air Carrier Access Act for Asian Airlines/Present at the Hong Kong Disability Forum	3	6	$15,713
Hong Kong, China	Attend/Present at DOT Hong Kong Disability Forum	2	8	$7,060
Mexico City, Mexico	Meet w/SCT to discuss cross-border trucking issues including on-site inspection MOC	1	3	$1,747
Hamburg, Germany	Speak at ECAC Disability Forum	1	5	$2,429
Hamburg, Germany	Attend ECAC meeting to discuss 14 CFR Part 382	1	6	$3,724
Beijing, China	Participate in US-China bilateral aviation negotiations	1	4	$3,525
Cairo, Egypt	Attend Disability Forum and meet w/Arab Air Carriers Organization (AACO)	1	6	$3,456
Cairo, Egypt	Present at Cairo Disability Forum	1	5	$4,195
Cairo, Egypt	Present at DOT Disability Forum to improve air travel for passengers w/disabilities	1	6	$3,582
Cairo, Egypt	Attend/participate in a Middle East Disability Forum hosted by DOT	1	7	$3,833
Cairo, Egypt	Participate in the Disability Forum w/foreign airlines and meet w/Middle East Airline Association	1	8	$4,879
Cairo, Egypt	Attend DOT Disability Forum	1	5	$3,563
Pretoria, SAF	Represent the United States Government at the meeting of the Preparatory Commission	1	5	$4,347

	on the establishment of the International Civil Aviation Compensation Fund			
Madrid, Spain	Participate in negotiations with the European Union and in Moscow with the members of the Arctic Council	1	6	$3,315
Moscow, Russia	Participate in multilateral negotiations of Arctic Search & Rescue agreement	1	4	$2,846
Rome, Italy	Chair meetings with parties interesting in becoming the Registrar of the International Rail Registry	1	5	$3,690
Brussels, Belgium	Participate and make presentations at NATO Civil Aviation Planning Committee	1	4	$2,529
Paris, France; Berlin, Germany	Travel with DOT Secretary to meet w/transportation officials	1	7	$6,127
Brussels, Belgium	Participate in aviation negotiations with the European Union	1	5	$3,023

OFFICE OF ASSITANT SECRETARY FOR TRANSPORTATION POLICY

Cairo, Egypt	To attend and give presentation at the Africa Travel Association 34th Annual congress	1	9	$6,154
Beijing, China	CAMIC Forum and meet with CAAC as part of Aviation Cooperation Program	2	8	$8,784
Leipzig, Germany	To support Secretary and participate in the International Transportation Forum	2	5	$7,930
Beijing, China	US China Transportation Forum Working Group Meeting	3	6	$12,401
Windsor, Canada	To participate in Detroit-Windsor International Crossings Meeting w/ Transport Canada and Michigan DOT	2	1	$898

Nairobi, Kenya	To participate in the Africa Growth & Opportunity Act Forum (AGOA) as a member of the Secretary of Transportation's delegation.	2	10	$9,083
Djibouti City, Djibouti	To meet w/ officials of the Djibouti CAA/Ministry of Transport/US Embassy to perform oversight of DOT-funded project	2	7	$13,167
Brussels, Belgium	US/EU Open Skies and relationships	2	8	$9,119
Singapore	To participate in the 32nd APEC Transportation Working Group Meeting in Singapore and to participate in official government meetings in Bangkok, Thailand	1	16	$6,480

Montreal, Canada	Head the US Delegation to a committee meeting of the World Health Organization on aircraft desinsection and develop criteria for non-chemical aircraft disinsection systems and procedures	1	3	$1,324
Narita, Japan	To participate in U.S. - Japan Air services negotiations as the DOT representative on the U.S. delegation. These rounds of negotiations ultimately led to an Open Skies agreement with Japan	1	7	$4,376
Buenos Aires, Argentina	To represent the U.S. at the executive committee meeting of the Latin American Civil Aviation Commission, an ICAO body; an held consultations with four countries, Ecuador, Argentina, Mexico and Brazil	1	6	$2,957
Geneva, Switzerland	EU and Worldwide slot training course geared specifically toward preparation for and completion of the one world antitrust immunity case	1	7	$3,226
Istanbul, Turkey	To head the US Delegation to the Agenda for Freedom aviation meeting, which resulted	1	6	$3,431

	in the signing of a multinational statement of principles of aviation liberalization.			
Montreal, Canada	Fourth ACIP Steering Committee meeting at the ICAO	2	4	$3,374
Kabul, Afghanistan	Meeting to assess the Department's optimum assistance role in-country and lay the logistical groundwork for a DOT presence, to supplement the ongoing FAA assistance program.	3	8	$10,012

Brussels, Belgium	US European Open Skies	1	7	$3,126
Cartagena, Columbia	Speaking at ALTA CEO conference	2	6	$3,175
Vancouver, Canada	International Meeting on Value of Travel Time Reliability and Cost Benefit Analysis	1	4	$1,792
Beijing, China	5th Joint Working Group Meeting of the US-China Framework for the Ten Year Cooperation on Energy and Environment	1	6	$3,961
Tokyo, Japan	Served as DOT representative at US-Japan air services negotiations.	1	7	$3,914
Brussels, Belgium	Meeting w/ DG Competition re: joint alliance study	2	6	$6,478

Moscow, Russia	Accompany the Secretary to participate in First Global ministerial conference on Road Safety in Moscow, Russian Federation. Participate in bilateral meetings Prague Czech Republic	1	5	$1,522
Brussels, Belgium	US European Open Skies	2	6	$8,335
Gaborone, Botswana	Southern Africa Development Community Steering Committee Mtg.	1	9	$4,783
Toronto, Canada	Keynote Speaker @ The International Economic Forum of the Americas/Toronto Forum for Global Cities	1	2	$1,564
Beijing, China	To participate in negotiations	1	5	$3,893
Montreal, Canada	Served as Departmental representative at an ICAO Agenda for Freedom meeting.	1	3	$1,219
London, England	Served as representative for the Department as an expert on International Aviation Conference.	1	3	$783
Copenhagen, Denmark	Conference of the Parties, Framework Convention on Climate Change, 15th Session	2	4	$5.096.58
Brussels, Belgium	Meetings w/ European Commission pursuant to Annex II of the US-EU air services agreement	3	6	$9,082
Brussels, Belgium	US-EU Negotiations	2	6	$7,918

	Round 8			
Accra, Ghana	Eighth National Banjul Accord Group plenary and steering committee meetings and give presentation on Safe Skies training and technical assistance	1	8	$5,250
Madrid, Spain	US-EU Round 7	2	6	$7,932

Johannesburg, South Africa	US EAC Trade and Investment Framework Agreement meeting	2	6	$11,998
Chihuahua, Mexico	Joint Working Committee for Border Planning	1	3	$2,608
Moscow, Russia	To participate in Arctic SAR negotiations	1	5	$2,938
Montreal, Canada	International Civil Aviation Organization (ICAO) HLM on Climate Change	1	5	$2,617
Paris, France	Accompanying Deputy Secretary to discuss w/ state, local and industry offices cooperation on high speed rail - its finance, design and operations	1	7	$5,532
Montreal, Canada	ICAO High-Level Safety Conference	1	6	$2,526

OFFICE OF INTELLIGENCE, SECURITY AND EMERGENCY RESPONSE

Brussels, Belgium	To represent the United States in a series on NATO Civil Emergency Planning meetings to resolve issues related to the use of civil aviation resources to support NATO operations.	3	6	$13,169
Brussels, Belgium	To represent the United States in a series on NATO Civil Emergency Planning meetings to resolve issues related to the use of civil aviation resources to support NATO operations.	1	4	$2,603
Brussels, Belgium	To represent the United States in a series on NATO Civil Emergency Planning meetings to resolve issues related to the use of civil aviation resources to support NATO operations.	3	7	$15,369
Analyatur, Turkey	To represent the United States in a series on NATO Civil Emergency Planning meetings to resolve issues related to the use of civil aviation resources to support NATO operations.	1	4	$495
Beijing, China	To represent the United States in the US/China Transportation Forum Disaster Response Working Group.	2	7	$8,071
Antwerp, Belgium	To represent the United States in a series on NATO Civil Emergency Planning meetings to resolve issues related to the use of civil aviation resources to support NATO operations.	2	7	$4,315

Brussels, Belgium	To represent the United States in a series on NATO Civil Emergency Planning meetings to resolve issues related to the use of civil aviation resources to support NATO operations.	1	5	$3,268
Brussels, Belgium	To represent the United States in a series on NATO Civil Emergency Planning meetings to resolve issues related to the use of civil aviation resources to support NATO operations.	1	5	$3,827
Brussels, Belgium	To represent the United States in a series on NATO Civil Emergency Planning meetings to resolve issues related to the use of civil aviation resources to support NATO operations.	2	5	$7,410

OFFICE OF THE ASSISTANT TO THE SECRETARY AND DIRECTOR OF PUBLIC AFFAIRS

France; Netherlands; Germany & Spain	Travel with Secretary, Meetings on transportation issues with U.S. business leaders and foreign dignitaries.	1	7	$2,656
Berlin , Cologne, & Frankfurt, Germany; Paris & Lyon, France	Meetings on transportation issues with U.S. business leaders and foreign dignitaries.	1	11	$5,847
Prague, Czech Republic; Moscow, Russia	Travel with Secretary, Meetings on transportation issues with U.S. business leaders and foreign dignitaries.	1	5	$1,470

OFFICE OF GOVERNMENTAL AFFAIRS

Cairo, Egypt	Accompany Congressional Appropriations Staffers to visit various transportation sites	1	8	$6,291
Tokyo, Japan	Accompany S-1 visit with Japanese Transportation Delegation and sites	1	7	$3,422

Madrid, Spain; Rome, Italy	Accompany Congressional Staffers to visit various Transportation Delegations and sites	3	8	$17,090

WORKING CAPITAL FUND

Paris, France	Provide Executive Protection for the Secretary	1	8	$4,800
Strasbourg, France	Provide Executive Protection for the Secretary	1	7	$5,510
Leipzig, Germany	Provide Executive Protection for the Secretary	1	9	$4,719
Madrid, Spain	Provide Executive Protection for the Secretary	1	6	$4,204
Rotterdam, Netherlands	Provide Executive Protection for the Secretary	1	6	$4,227
Paris & Strasbourg, France; Leipzig, Germany; Madrid, Spain; Rotterdam, Netherlands	Provide Executive Protection for the Secretary	2	7	$5,350

Beirut, Lebanon	Provide Executive Protection for the Secretary	2	4	$833
Mexico City, Mexico	Provide Executive Protection for the Secretary	3	6	$4,326
Prague, Czech Republic	Provide Executive Protection for the Secretary	1	8	$4,370
Moscow, Russia	Provide Executive Protection for the Secretary	1	9	$4,869
Prague, Czech Republic; Moscow, Russia	Provide Executive Protection for the Secretary	2	5	$3,039

Transportation Planning, Research, and Development (TPR&D)

18. Please provide a listing of all new positions requested in FY 2011 for the TPR&D, showing the position title, grade level, salary, and basic description of the position responsibilities.

RESPONSE:

Position Title	Grade	Salary*	Position Description
Policy Analyst	11/12	$62,467 - $97,333	Evaluation of livability aspects of passenger and freight transportation
Economist	11/12	$62,467 - $97,333	Economic analysis of high-speed rail

* Full year salary range for Grade levels indicated. Please note that new positions are only funded for half a year.

19. Please provide a chart of the activities requested within the TPR&D account from FY 2008 through FY 2011. Please include the amount of funding that was requested and the actual amount of funding received for each year.

RESPONSE:
(In thousands of dollars)

	FY 08 Request	FY 08 Actual	FY 09 Request	FY 09 Actual	FY 10 Request	FY 10 Actual	FY 11 Request
Personnel Compensation and Benefits	$4,390	$4,349	$4,464	$5,361	$5,511	$5,511 [2/]	$5,808
Other Costs [1/]	$775	$775	$934	$934	$689	$689 [2/]	$641
Travel	$50	$50	$50	$151	$152	$152 [2/]	$175
National Research	$3,900	$3,021	$4,657	$2,021	$3,881	$4,161 [2/]	$3,195
Earmarks	$0	$5,689	$0	$9,833	$0	$7,935 [2/]	$0
Total	$9,115	$13,884	$10,105	$18,300	$10,233	$18,168 [2/]	$9,819

[1/] Includes working capital fund, IT, and administrative costs.
[2/] Includes $2 million for the Mississippi-Missouri Rivers study pursuant to P.L. 111-117, Section 195.

20. For each proposed or ongoing activity requested within the TPR&D account, please provide a crosswalk detailing which office within the Office of the Secretary will be charged with administration and developing of the proposed research project.

RESPONSE: The Office of the Under Secretary for Policy within the Office of the Secretary is charged with the administration and modal coordination for all policy research projects funded under the TRP&D account.

21. Please list all proposed activities in this account in order of priority; please indicate whether the activity is planned or ongoing.

RESPONSE: The chart lists all the 2011 proposed National research and development projects and programs in order of priority and indicates the project status. The projects are ranked in three Tiers:

Category I: Most directly support statutory requirements, and Presidential and Secretarial priorities
Category II: Most immediate needs for Strategic Plan priorities
Category III: Priority needs for Strategic Plan priorities; research could be delayed with less immediate negative impact than Categories I & II

Each project is also flagged as "planned" or "ongoing" – "ongoing" means that it is follow-up to work or a study that the Office of the Under Secretary for Policy, or another DOT agency has done, or is doing, in this area.

Category I	Funding Request	Status
Safety Program Innovation	175,000	Ongoing
Analysis of Benefits and Costs of High-Speed Passenger Rail	250,000	Planned
Economic Analysis of the National Freight Transportation System	175,000	Planned
Economic Analysis of Improving State of Good Repair	180,000	Planned
Sustainable Transportation	175,000	Planned
Maintenance and Calibration of an Airline Network Analysis Model	95,000	Ongoing
Aviation Data Modernization Program	100,000	Ongoing
Project on the Impact of Airline Alliances	100,000	Planned
Category II		
Transportation and Land Use Patterns	95,000	Planned
Analyzing Benefits and Costs of National Transportation Initiatives	220,000	Planned

Best Practices Policy Guide for Rural Road Safety Improvement	150,000	Planned
Policy Impact of Alternative Approaches to Funding Transportation Infrastructure	100,000	Planned
Mobility Management	100,000	Planned
Policy Instruments to Reduce Environmental Impacts of Transportation	100,000	Planned
Comprehensive Examination of the Operating and Competitive Structures of the Air Cargo Industry	150,000	Planned
Asia-Pacific Economic Cooperation (APEC) Transportation Ministerial	205,000	Planned
Category III		
Economic Analysis of Modal Choice	175,000	Planned
Transportation Productivity	100,000	Ongoing
Economic Impact of Transportation Research, Development, and Technology	175,000	Planned
Policy Issues & Environmental Implications of New Energy and Emissions Reductions Technologies and Fund Contribution to DOT Climate Change Center	150,000	Ongoing
Impact of More Stringent Ozone National Ambient Air Quality Standard (NAAQS) on Transportation and Mitigation of Air Quality Impacts	50,000	Planned
Alternative Fuels Infrastructure	50,000	Planned
U.S.-China Research & Technical Assistance Program on the Economic Regulation of Air Transportation Services	50,000	Ongoing
Survey of Economic Regulation of Airlines in Open Skies Countries	75,000	Planned

Essential Air Service

22. Please provide a table showing by state and community the actual subsidized air service for fiscal year 2009, and the projected service for fiscal years 2010 and 2011. Please include in the table the estimated mileage to the nearest small, medium, or large hub, the average daily enplanements at each point, the subsidy per passenger, and the subsidy per passenger-mile.

RESPONSE: The information follows.

FY 2009 Essential Air Service

	States/ Communities	Est. Miles to Nearest Hub (S,M,or L) 1/	Avg. Daily Enplanements at EAS Point (YE 9/30/08)	Annual Subsidy Rates at 2/1/2009	Subsidy per Passenger	Total Psgrs (YE 9/30/08)	Hub Served	Air Miles to Hub Served	RPMs	Subsidy Per RPM	Notes
ALABAMA											
1	Muscle Shoals/Florence	60	14.9	$1,782,928	$ 191.75	9,298	MEM	136	1,264,528	$ 1.41	
ARIZONA											
1	Kingman	121	0.0	$1,275,771	$ -	0	PHX	167	0	$ -	4/
1	Page	282	17.3	$1,497,556	$ 137.90	10,860	PHX	243	2,638,980	$ 0.57	
1	Prescott	102	0.0	$1,622,719	$ -	0	PHX	87	0	$ -	4/
1	Show Low	154	17.7	$988,181	$ 89.15	11,085	PHX	129	1,429,965	$ 0.69	
ARKANSAS											
1	El Dorado	107	0.0	$2,311,637	$ -	0	DFW	246	0	$ -	4/
1	Harrison	80	0.0	$1,587,067	$ -	0	DFW	321	0	$ -	4/
1	Hot Springs	51	0.0	$1,991,307	$ -	0	DFW	252	0	$ -	4/
1	Jonesboro	82	0.0	$1,607,385	$ -	0	DFW	417	0	$ -	4/
CALIFORNIA											
1	Crescent City	314	38.9	$1,136,896	$ 46.69	24,352	SFO	304	7,403,008	$ 0.15	
1	El Centro	101	22.7	$662,551	$ 46.67	14,198					
1	Merced	60	0.0	$1,541,365	$ -	0	LAS	309	0	$ -	4/
1	Visalia	47	0.0	$1,494,319	$ -	0	LAS	237	0	$ -	4/
COLORADO											
1	Alamosa	164	23.4	$1,853,475	$ 126.28	14,678	DEN	179	2,627,362	$ 0.71	
1	Cortez	255	30.3	$1,297,562	$ 68.49	18,945	DEN	278	5,266,710	$ 0.25	
1	Pueblo	36	11.2	$1,057,128	$ 150.42	7,028	DEN	108	759,024	$ 1.39	
GEORGIA											
1	Athens	72	0.0	$1,051,386	$ -	0	CLT	162	0	$ -	4/
1	Macon	82	34.7	$1,386,306	$ 63.83	21,720	ATL	79	1,715,880	$ 0.81	
ILLINOIS											
1	Decatur	126	3.5	$1,350,256	$ 609.87	2,214	STL	110	243,540	$ 5.54	
1	Marion	123	8.3	$1,126,810	$ 217.74	5,175	STL	100	517,500	$ 2.18	
1	Quincy	111	5.2	$1,532,891	$ 470.79	3,256	STL	94	306,064	$ 5.01	
IOWA											
1	Burlington	74	8.7	$943,793	$ 172.76	5,463	MCI	217	1,185,471	$ 0.80	
1	Fort Dodge	91	20.2	$1,056,933	$ 83.51	12,656	MSP	168	2,126,208	$ 0.50	
1	Mason City	131	36.9	$1,056,933	$ 45.73	23,113	MSP	120	2,773,560	$ 0.38	
KANSAS											
1	Dodge City	150	12.8	$1,378,036	$ 171.63	8,029	DEN/MCI	292/303	2,388,628	$ 0.58	
1	Garden City	202	33.3	$2,373,320	$ 113.85	20,846	DEN/MCI	250/338	6,128,724	$ 0.39	
1	Great Bend	114	3.3	$749,435	$ 357.55	2,096	MCI	233	488,368	$ 1.53	
1	Hays	175	27.2	$1,757,154	$ 103.39	16,996	DEN/MCI	297/246	4,614,414	$ 0.38	
1	Liberal	138	11.8	$995,284	$ 134.55	7,397	DEN	279	2,063,763	$ 0.48	
1	Manhattan	122	37.3	$1,198,342	$ 51.27	23,375	MCI	105	2,454,375	$ 0.49	
1	Salina	97	11.0	$798,895	$ 115.98	6,888	MCI	161	1,108,968	$ 0.72	
KENTUCKY											
1	Owensboro	105	0.0	$1,448,625	$ -	0	STL	187	0	$ -	4/
MAINE											
1	Augusta	67	10.6	$2,086,251	$ 315.00	6,623	BOS	148	980,204	$ 2.13	
1	Bar Harbor	144	32.7	$2,086,251	$ 102.07	20,440	BOS	196	4,006,240	$ 0.52	
1	Presque Isle	262	42.8	$2,643,588	$ 98.58	26,818	BOS	332	8,903,576	$ 0.30	
1	Rockland	81	17.7	$1,522,770	$ 137.58	11,068	BOS	152	1,682,336	$ 0.91	
MARYLAND											
1	Hagerstown	78	0.0	$1,570,417	$ -	0	BWI	143	0	$ -	2/

MICHIGAN											
1	Escanaba	112	0.0	$1,435,118	$ -	0	MKE	195	0	$ -	4/
1	Ironwood	213	0.0	$1,492,865	$ -	0	MKE	270	0	$ -	4/
1	Iron Mountain	105	0.0	$1,435,118	$ -	0	MKE	198	0	$ -	4/
1	Manistee	110	0.0	$1,799,395	$ -	0	MKE	123	0	$ -	4/
MINNESOTA											
1	Chisholm/Hibbing	199	27.6	$1,261,841	$ 73.15	17,250	MSP	174	3,001,500	$ 0.42	
1	Thief River Falls	305	11.0	$1,065,639	$ 154.78	6,885	MSP	261	1,796,985	$ 0.59	
MISSISSIPPI											
1	Greenville	118	21.2	$1,355,693	$ 102.36	13,244	MEM	122	1,615,768	$ 0.84	
1	Laurel/Hattiesburg	89	40.5	$1,191,435	$ 46.94	25,384	MEM	250	6,346,000	$ 0.19	
1	Meridian	88	58.5	$686,489	$ 18.76	36,602	MEM	200	7,320,400	$ 0.09	
MISSOURI											
1	Cape Girardeau	127	0.0	$1,497,542	$ -	0	STL	114	0	$ -	4/
1	Columbia	116	0.0	$2,186,590	$ -	0	STL	100	0	$ -	4/
1	Ft. Leonard Wood	85	14.4	$519,858	$ 57.59	9,027	STL	119	1,074,213	$ 0.48	
1	Joplin	70	0.0	$997,680	$ -	0	STL	251	0	$ -	4/
1	Kirksville	137	0.0	$806,169	$ -	0	STL	149	0	$ -	4/
MONTANA											
1	Glasgow	285	0.0	$928,433	$ -	0	BIL	189	0	$ -	4/
1	Glendive	222	0.0	$1,056,152	$ -	0	BIL	201	0	$ -	4/
1	Havre	230	0.0	$1,036,616	$ -	0	BIL	198	0	$ -	4/
1	Lewistown	103	0.0	$1,036,616	$ -	0	BIL	97	0	$ -	4/
1	Miles City	145	0.0	$1,056,152	$ -	0	BIL	135	0	$ -	4/
1	Sidney	272	0.0	$2,159,591	$ -	0	BIL	245	0	$ -	4/
1	West Yellowstone	332	12.8	$431,996	$ 53.80	8,030	SLC	273	2,192,190	$ 0.20	
1	Wolf Point	293	0.0	$928,433	$ -	0	BIL	212	0	$ -	4/
NEBRASKA											
1	Alliance	233	6.0	$748,635	$ 197.69	3,787	DEN	180	681,660	$ 1.10	
1	Chadron	290	7.1	$748,635	$ 168.57	4,441	DEN	221	981,461	$ 0.76	
1	Grand Island	138	0.0	$2,271,640	$ -	0	MCI	222	0	$ -	4/
1	Kearney	181	39.5	$1,978,386	$ 80.04	24,718	DEN	305	7,538,990	$ 0.26	
1	McCook	256	6.3	$1,583,277	$ 401.44	3,944	DEN	218	859,792	$ 1.84	
1	North Platte	255	30.6	$1,860,229	$ 97.23	19,133	DEN	227	4,343,191	$ 0.43	
1	Scottsbluff	192	31.2	$1,535,085	$ 78.60	19,530	DEN	150	2,929,500	$ 0.52	
NEVADA											
1	Ely	234	0.0	$1,864,717	$ -	0	LAS	223	0	$ -	4/
NEW HAMPSHIRE											
1	Lebanon	72	30.5	$2,245,669	$ 117.67	19,084	LGA	212	4,045,808	$ 0.56	
NEW MEXICO											
1	Alamogordo	89	0.9	$994,623	$1,811.70	549	ABQ	156	85,644	$ 11.61	
1	Carlsbad	149	5.9	$303,554	$ 82.31	3,688	ABQ	230	848,240	$ 0.36	
1	Clovis	102	8.2	$1,182,645	$ 229.95	5,143	ABQ	192	987,456	$ 1.20	
1	Hobbs	90	5.9	$303,554	$ 81.86	3,708	ABQ	254	941,832	$ 0.32	
1	Silver City	134	8.5	$1,182,645	$ 221.84	5,331	ABQ	188	1,002,228	$ 1.18	
NEW YORK											
1	Jamestown	76	11.7	$1,350,803	$ 183.78	7,350	PIT	125	918,750	$ 1.47	
1	Massena	138	0.0	$1,297,613	$ -	0	PIT	411	0	$ -	4/
1	Ogdensburg	105	0.0	$1,353,916	$ -	0	PIT	378	0	$ -	4/
1	Plattsburgh	82	0.0	$1,379,257	$ -	0	ALB	135	0	$ -	4/
1	Saranac Lake	132	0.0	$1,431,875	$ -	0	ALB	115	0	$ -	4/
1	Watertown	54	0.0	$1,228,334	$ -	0	PIT	324	0	$ -	4/

NORTH DAKOTA											
1	Devils Lake	402	10.7	$1,331,664	$ 197.90	6,729	MSP	351	2,361,879	$ 0.56	
1	Dickinson	319	26.8	$1,696,977	$ 101.09	16,787	DEN	488	8,192,056	$ 0.21	
1	Jamestown	333	8.0	$1,355,011	$ 269.60	5,026	MSP	299	1,502,774	$ 0.90	
OREGON											
1	Pendleton	185	25.5	$1,566,729	$ 98.30	15,938	PDX	182	2,900,716	$ 0.54	
PENNSYLVANIA											
1	Altoona	112	23.0	$1,394,423	$ 96.79	14,407	PIT	102	1,469,514	$ 0.95	
1	Bradford	77	13.2	$1,350,803	$ 163.08	8,283	PIT	123	1,018,809	$ 1.33	
1	Du Bois	112	0.0	$2,020,095	$ -	0	PIT	84	0	$ -	4/
1	Johnstown	84	22.1	$1,394,423	$ 100.83	13,829	PIT	75	1,037,175	$ 1.34	
1	Lancaster	28	0.0	$1,831,504	$ -	0	BWI	210	0	$ -	2/
1	Oil City/Franklin	85	0.0	$1,226,773	$ -	0	PIT	64	0	$ -	4/
PUERTO RICO											
1	Mayaguez	105	14.5	$735,660	$ 80.96	9,087	SJU	76	690,612	$ 1.07	
1	Ponce	77	13.9	$661,399	$ 75.89	8,715	SJU	47	409,605	$ 1.61	3/
SOUTH DAKOTA											
1	Brookings	58	0.0	$1,887,110	$ -	0	MSP	182	0	$ -	2/
1	Huron	121	8.2	$1,781,159	$ 345.72	5,152	MSP	249	1,282,848	$ 1.39	
1	Watertown	207	15.5	$1,189,606	$ 122.83	9,685	MSP	193	1,869,205	$ 0.64	
TENNESSEE											
1	Jackson	86	0.0	$1,598,291	$ -	0	STL	231	0	$ -	4/
TEXAS											
1	Victoria	93	29.1	$610,049	$ 33.50	18,211	HOU	113	2,057,843	$ 0.30	
UTAH											
1	Cedar City	179	22.1	$1,242,256	$ 89.95	13,811	SLC	221	3,052,231	$ 0.41	
1	Moab	256	9.5	$1,607,903	$ 271.70	5,918	SLC	183	1,082,994	$ 1.48	
1	Vernal	150	14.5	$1,147,786	$ 126.37	9,083	SLC	131	1,189,873	$ 0.96	
VERMONT											
1	Rutland	69	15.0	$839,746	$ 89.56	9,376	BOS	127	1,190,752	$ 0.71	
VIRGINIA											
1	Staunton	113	21.4	$1,389,727	$ 103.69	13,403	PIT	170	2,278,510	$ 0.61	
WEST VIRGINIA											
1	Beckley	168	10.4	$2,092,844	$ 321.48	6,510	PIT	193	1,256,430	$ 1.67	
1	Clarksburg	96	17.7	$1,058,325	$ 95.39	11,095	PIT	83	920,885	$ 1.15	
1	Greenbrier/Lewisburg	166	0.0	$2,330,725	$ -	0	CLT	185	0	$ -	4/
1	Morgantown	75	24.7	$1,058,325	$ 68.46	15,459	PIT	61	942,999	$ 1.12	
1	Parkersburg	110	17.6	$2,190,281	$ 198.66	11,025	PIT	102	1,124,550	$ 1.95	
WYOMING											
1	Laramie	145	31.5	$1,215,603	$ 61.66	19,715	DEN	114	2,247,510	$ 0.54	
1	Worland	161	11.3	$1,735,814	$ 245.76	7,063	DEN	330	2,330,790	$ 0.74	
#											

1/ Hub classifications are subject to change annually based on the changes in enplanement levels at the specific hub and at all airports Nationwide.

2/ BKX, HGR, LNS: Legislatively lost subsidy eligibility effective 10/1/2007, resulting in a service hiatus.

3/ Cape Air Traffic only.

4/ Service hiatus due to the shutdown of Air Midwest, Big Sky, RegionsAir and Skyways.

FY 2010 Essential Air Service

	States/ Communities	Est. Miles to Nearest Hub (S,M,or L) 1/	Avg. Daily Enplanements at EAS Point (YE 12/31/09)	Annual Subsidy Rates at 6/1/2010	Subsidy per Passenger	Total Psgrs (YE 12/31/09)	Hub Served	Air Miles to Hub Served	RPMs	Subsidy Per RPM	Notes
ALABAMA											
1	Muscle Shoals/Florence	60	20.8	$1,782,928	$ 137.03	13,011	ATL	136	1,769,496	$ 1.01	
ARIZONA											
1	Kingman	121	0.0	$1,275,771	$ -	0	LAS	167	0	$ -	4/
1	Page	282	15.5	$1,995,273	$ 205.78	9,696	PHX	243	2,356,128	$ 0.85	
1	Prescott	102	11.3	$1,622,719	$ -	7,101	ONT/DEN	87	617,787	$ -	4/
1	Show Low	154	11.3	$1,407,255	$ 198.60	7,086	PHX	129	914,094	$ 1.54	
ARKANSAS											
1	El Dorado	107	0.0	$2,096,517	$ -	0	MEM	246	0	$ -	4/
1	Harrison	80	0.0	$1,695,929	$ -	0	MEM/MCI	321	0	$ -	4/
1	Hot Springs	51	0.0	$1,419,102	$ -	0	MEM	252	0	$ -	4/
1	Jonesboro	82	0.0	$836,241	$ -	0	MEM	417	0	$ -	4/
CALIFORNIA											
1	Crescent City	314	36.7	$1,136,896	$ 49.48	22,979	SFO	304	6,985,616	$ 0.16	
1	El Centro	101	18.4	$662,551	$ 57.56	11,511	LAX				
1	Merced	60	3.2	$1,541,365	$ -	2,034	ONT	309	628,506	$ -	4/
1	Visalia	47	7.6	$1,494,319	$ -	4,738	LAS	237	1,122,906	$ -	4/
COLORADO											
1	Alamosa	164	19.9	$1,853,475	$ 148.91	12,447	DEN	179	2,228,013	$ 0.83	
1	Cortez	255	24.3	$1,297,562	$ 85.46	15,184	DEN	278	4,221,152	$ 0.31	
1	Pueblo	36	12.1	$1,299,821	$ 171.62	7,574	DEN	108	817,992	$ 1.59	
GEORGIA											
1	Athens	72	12.4	$1,051,386	$ -	7,776	ATL	162	1,259,712	$ -	4/
1	Macon	82	4.3	$1,386,306	$ 509.48	2,721	ATL	79	214,959	$ 6.45	
ILLINOIS											
1	Decatur	126	2.1	$3,082,403	$2,391.31	1,289	ORD/STL	110	141,790	$ 21.74	
1	Marion	123	7.6	$2,053,783	$ 430.74	4,768	STL	100	476,800	$ 4.31	
1	Quincy	111	5.5	$1,946,270	$ 565.28	3,443	STL	94	323,642	$ 6.01	
IOWA											
1	Burlington	74	6.4	$2,171,241	$ 538.24	4,034	ORD/STL	217	875,378	$ 2.48	
1	Fort Dodge	91	17.0	$1,112,607	$ 104.37	10,660	MSP	168	1,790,880	$ 0.62	
1	Mason City	131	33.5	$1,112,607	$ 53.10	20,953	MSP	120	2,514,360	$ 0.44	
KANSAS											
1	Dodge City	150	10.4	$1,842,749	$ 282.98	6,512	DEN/MCI	292/303	1,937,320	$ 0.95	
1	Garden City	202	28.4	$1,884,303	$ 106.10	17,759	DEN/MCI	250/338	5,221,146	$ 0.36	
1	Great Bend	114	1.8	$1,257,617	$1,117.88	1,125	MCI	233	262,125	$ 4.80	
1	Hays	175	23.8	$1,954,327	$ 131.40	14,873	DEN	297/246	4,038,020	$ 0.48	
1	Liberal	138	11.2	$1,958,570	$ 280.24	6,989	DEN	279	1,949,931	$ 1.00	
1	Salina	97	7.8	$1,489,435	$ 303.10	4,914	MCI	161	791,154	$ 1.88	
KENTUCKY											
1	Owensboro	105	0.0	$1,068,773	$ -	0	BNA	187	0	$ -	4/
1	Paducah	146		$569,923		36,889	ORD				
MAINE											
1	Augusta	67	11.3	$2,086,251	$ 295.67	7,056	BOS	148	1,044,288	$ 2.00	
1	Bar Harbor	144	31.3	$2,086,251	$ 106.58	19,574	BOS	196	3,836,504	$ 0.54	
1	Presque Isle	262	42.8	$2,643,588	$ 98.77	26,766	BOS	332	8,886,312	$ 0.30	
1	Rockland	81	19.1	$1,522,770	$ 127.68	11,926	BOS	152	1,812,752	$ 0.84	
MARYLAND											
1	Hagerstown	78	0.0	$1,570,417	$ -	0	BWI	143	0	$ -	2/
MICHIGAN											
1	Alpena	236		$1,532,660	$ 102.67	14,928	DTW				
1	Escanaba	112	22.0	$1,435,118	$ 104.16	13,778	DTW/MSP	195	2,686,710	$ -	4/
1	Hancock/Houghton	219		$1,404,714	$ 48.67	28,861	ORD				
1	Ironwood	213	17.5	$1,435,118	$ 131.12	10,945	MKE	270	2,955,150	$ -	4/
1	Iron Mountain	105	3.6	$1,492,865	$ 653.90	2,283	DTW/MSP	198	452,034	$ -	4/
1	Manistee	110	8.7	$1,799,395	$ 330.10	5,451	MKE	123	670,473	$ -	4/
1	Muskegon	42		$660,720	$ 21.62	30,563	ORD				
1	Sault Ste. Marie	278		$237,825	$ 9.21	25,830	DTW				

MINNESOTA											
1	Chisholm/Hibbing	199	28.3	$2,938,878	$ 165.66	17,740	MSP	174	3,086,760	$ 0.95	
1	International Falls	298		$1,309,886		30,895	MSP				
1	Thief River Falls	305	8.7	$1,230,322	$ 226.33	5,436	MSP	261	1,418,796	$ 0.87	
MISSISSIPPI											
1	Greenville	118	19.2	$1,355,693	$ 112.97	12,000	MEM	122	1,464,000	$ 0.93	
1	Laurel/Hattiesburg	89	39.6	$1,191,435	$ 48.04	24,800	MEM	250	6,200,000	$ 0.19	
1	Meridian	88	57.3	$686,489	$ 19.14	35,868	ATL	200	7,173,600	$ 0.10	
1	Tupelo	94		$1,419,593		24,752	MEM				
MISSOURI											
1	Cape Girardeau	127	2.8	$1,573,818	$ -	1,781	STL	114	203,034	$ -	4/
1	Columbia	116	79.1	$2,186,590	$ -	49,510	MEM	100	4,951,000	$ -	4/
1	Ft. Leonard Wood	85	17.4	$1,292,906	$ 118.56	10,905	MCI	119	1,297,695	$ 1.00	
1	Joplin	70	12.3	$997,680	$ -	7,677	MCI	251	1,926,927	$ -	4/
1	Kirksville	137	3.0	$806,169	$ -	1,877	STL	149	279,673	$ -	4/
MONTANA											
1	Glasgow	285	0.0	$928,433	$ -	0	BIL	189	0	$ -	4/
1	Glendive	222	0.0	$1,056,152	$ -	0	BIL	201	0	$ -	4/
1	Havre	230	0.0	$1,036,616	$ -	0	BIL	198	0	$ -	4/
1	Lewistown	103	3.3	$1,036,616	$ -	2,095	BIL/DEN	97	203,215	$ -	4/
1	Miles City	145	2.9	$1,056,152	$ -	1,801	BIL/DEN	135	243,135	$ -	4/
1	Sidney	272	8.7	$2,159,591	$ -	5,436	BIL/DEN	245	1,331,820	$ -	4/
1	West Yellowstone	332	13.5	$427,757	$ 50.65	8,445	SLC	273	2,305,485	$ 0.19	
1	Wolf Point	293	0.0	$928,433	$ -	0	BIL	212	0	$ -	4/
NEBRASKA											
1	Alliance	233	4.3	$977,609	$ 361.54	2,704	DEN	180	486,720	$ 2.01	
1	Chadron	290	6.1	$977,609	$ 254.12	3,847	DEN	221	850,187	$ 1.15	
1	Grand Island	138	0.0	$2,271,640	$ -	0	DEN	222	0	$ -	4/
1	Kearney	181	30.9	$1,978,386	$ 102.40	19,320	DEN	305	5,892,600	$ 0.34	
1	McCook	256	5.5	$1,583,277	$ 459.45	3,446	DEN	218	751,228	$ 2.11	
1	North Platte	255	23.7	$1,860,229	$ 125.51	14,821	DEN	227	3,364,367	$ 0.55	
1	Scottsbluff	192	26.8	$1,535,085	$ 91.44	16,788	DEN	150	2,518,200	$ 0.61	
NEVADA											
1	Ely	234	0.6	$1,864,717	$ -	357	DEN	223	79,611	$ -	4/
NEW HAMPSHIRE											
1	Lebanon	72	19.4	$2,245,669	$ 185.26	12,122	BOS/HPN	212	2,569,864	$ 0.87	
NEW MEXICO											
1	Alamogordo	89	1.3	$1,169,337	$1,398.73	836	ABQ	156	130,416	$ 8.97	
1	Carlsbad	149	9.8	$1,046,284	$ 170.71	6,129	ABQ	230	1,409,670	$ 0.74	
1	Clovis	102	6.6	$1,517,277	$ 369.08	4,111	ABQ	192	789,312	$ 1.92	
1	Silver City	134	5.8	$1,442,174	$ 395.44	3,647	ABQ	188	685,636	$ 2.10	
NEW YORK											
1	Jamestown	76	12.0	$1,350,803	$ 179.68	7,518	CLE	125	939,750	$ 1.44	
1	Massena	138	10.2	$1,297,613	$ -	6,402	ALB	411	2,631,222	$ -	4/
1	Ogdensburg	105	6.3	$1,353,916	$ -	3,970	ALB	378	1,500,660	$ -	4/
1	Plattsburgh	82	18.1	$1,379,257	$ -	11,329	BOS	135	1,529,415	$ -	4/
1	Saranac Lake	132	15.1	$1,366,538	$ -	9,463	BOS	115	1,088,245	$ -	4/
1	Watertown	54	7.7	$1,228,334	$ -	4,823	ALB	324	1,562,652	$ -	4/
NORTH DAKOTA											
1	Devils Lake	402	11.2	$1,459,493	$ 208.17	7,011	MSP	351	2,460,861	$ 0.59	
1	Dickinson	319	28.4	$2,274,177	$ 127.71	17,808	DEN	488	8,690,304	$ 0.26	
1	Jamestown	333	11.3	$1,963,220	$ 277.06	7,086	MSP	299	2,118,714	$ 0.93	
OREGON											
1	Pendleton	185	12.0	$1,608,394	$ 214.08	7,513	PDX	182	1,367,366	$ 1.18	
PENNSYLVANIA											
1	Altoona	112	20.5	$1,394,423	$ 108.84	12,812	IAD	102	1,306,824	$ 1.07	
1	Bradford	77	8.0	$1,350,803	$ 269.41	5,014	CLE	123	616,722	$ 2.19	
1	Du Bois	112	15.7	$2,020,095	$ -	9,850	CLE	84	827,400	$ -	4/
1	Johnstown	84	5.7	$1,226,773	$ 342.39	3,583	IAD	75	268,725	$ 4.57	
1	Lancaster	28	24.9	$1,394,423	$ -	15,612	BWI	210	3,278,520	$ -	2/
1	Oil City/Franklin	85	5.7	$1,831,504	$ -	3,583	CLE	64	229,312	$ -	4/
PUERTO RICO											
1	Mayaguez	105	13.4	$980,980	$ 117.23	8,368	SJU	76	635,968	$ 1.54	
1	Ponce	77	13.9	$740,416	$ 85.35	8,675	SJU	47	407,725	$ 1.82	3/

SOUTH DAKOTA											
1	Huron	121	6.9	$1,781,159	$ 411.26	4,331	DEN	249	1,078,419	$ 1.65	
1	Watertown	207	17.0	$1,338,321	$ 125.90	10,630	MSP	193	2,051,590	$ 0.65	
TENNESSEE											
1	Jackson	86	0.0	$1,225,628	$ -	0	BNA	231	0	$ -	4/
TEXAS											
1	Victoria	93	17.7	$1,593,922	$ 144.17	11,056	IAH	113	1,249,328	$ 1.28	
UTAH											
1	Cedar City	179	14.9	$1,477,125	$ 158.75	9,305	SLC	221	2,056,405	$ 0.72	
1	Moab	256	6.0	$1,798,370	$ 478.80	3,756	DEN	183	687,348	$ 2.62	
1	Vernal	150	12.1	$1,421,478	$ 187.73	7,572	DEN	131	991,932	$ 1.43	
VERMONT											
1	Rutland	69	13.9	$797,141	$ 91.73	8,690	BOS	127	1,103,630	$ 0.72	
VIRGINIA											
1	Staunton	113	26.7	$1,911,466	$ 114.28	16,726	IAD	170	2,843,420	$ 0.67	
WEST VIRGINIA											
1	Beckley	168	7.7	$2,092,844	$ 436.46	4,795	IAD	193	925,435	$ 2.26	
1	Clarksburg	96	20.8	$1,058,325	$ 81.09	13,052	IAD	83	1,083,316	$ 0.98	
1	Greenbrier/Lewisburg	166	11.5	$2,330,725	$ -	7,195	CLE	185	1,331,075	$ -	4/
1	Morgantown	75	32.7	$1,058,325	$ 51.78	20,439	IAD	61	1,246,779	$ 0.85	
1	Parkersburg	110	16.1	$2,190,281	$ 216.77	10,104	IAD	102	1,030,608	$ 2.13	
WISCONSIN											
1	Eau Claire	92		$1,732,372		22,408	ORD				
WYOMING											
1	Laramie	145	24.2	$1,215,603	$ 80.40	15,119	DEN	114	1,723,566	$ 0.71	
1	Worland	161	8.6	$1,735,814	$ 321.98	5,391	DEN	330	1,779,030	$ 0.98	
#											
1/	Hub classifications are subject to change annually based on the changes in enplanement levels at the specific hub and at all airports Nationwide.										
2/	BKX, HGR, LNS: Legislatively lost subsidy eligibility effective 10/1/2007, resulting in a service hiatus.										
3/	Cape Air Traffic only.										
4/	Service hiatus due to the shutdown of Air Midwest, Big Sky, RegionsAir and Skyways.										

The FY 2011 projections are the same as the FY 2010 chart above. If the program is not capped, six additional communities would likely come into the program (based on historical trends) but it is not knowable at this time which communities that would be.

23. What impact does the budget proposal to limit the program size to communities that are receiving subsidized Essential Air Service as of October 1, 2010 have on the FY 2011 funding request?

RESPONSE: Since the attacks of September 11, 2001 (when a significant number of eligible, but previously unsubsidized communities began entering the EAS program annually), an average of six new communities has entered the EAS program each year, at an average full-year subsidy cost of $1.5 million. Assuming that historical average, the proposal to limit the EAS program to communities receiving subsidized service on October 1, 2010, would avert the cost of six new communities starting subsidized service during FY 2011. Since the communities would likely enter the program at different points throughout the year, the estimated savings would be $6,000,000. Since there are currently 53 eligible communities that are served by a single unsubsidized air carrier, substantial additional costs would be avoided in the out years as well.

24. What is the FY 2011 estimated cost of the Essential Air Service if the parameters of the program remain the same as last year?

RESPONSE: As of June 1, 2010, the Department estimates that the cost of the Essential Air Service (EAS) Program in FY 2011 will be $196 million without a cap. Based on the number of newly subsidized communities per year since the attacks of September 11, 2001 (when a significant number of eligible, but previously unsubsidized communities began entering the EAS program annually), DOT assumes that six new communities currently served by only one unsubsidized air carrier will come on subsidy during the year. The average annual subsidy is $1.5 million per EAS community. Currently, there are 53 EAS eligible communities that are served by a single unsubsidized air carrier. We expect that additional eligible, but currently unsubsidized communities would continue to come onto subsidy in the out years if the program is not capped.

25. In July of 2009, GAO issued a report on the Essential Air Service and access to the transportation system. How does DOT plan on responding to GAO's recommendations?

RESPONSE: The GAO correctly reported that only Congress could make any substantive reforms to the EAS program. Nonetheless, GAO recommended that DOT study the reasonableness of securing surface or multi-modal transportation for communities within an easy drive of another airport, which would require legislative action to implement. The Department studied this issue, and in fact has in the past proposed reforms in this area. In addition, the Department implemented the "Alternate Essential Air Service Program" that was authorized by Congress in 2004 whereby, among other things, communities can opt out of the traditional EAS program in favor of a grant equal to the then-current subsidy amount for them to use for ground transportation, charter service, etc. No communities have availed themselves of this option.

GAO also suggested that we reevaluate our position not to increase carriers' subsidy rates during the contract period. There is already a legislative vehicle by which carriers can get subsidy rate relief, namely by filing a 90-day notice. We believe that mechanism strikes the proper balance of our dual obligation to both the regional airlines/communities and to the taxpayers.

Regarding GAO's recommendation to establish longer-term contracts, we have always had the authority to do that and we have done three-year or longer contracts as far back as 1998 and as recently as March 2010.

Minority Business Outreach

26. Please provide a listing of all new positions requested in FY 2011 for the Minority Business Outreach, showing the position title, grade level, salary, and basic description of the position responsibilities.

RESPONSE: The Minority Business Outreach requests the following 2 positions each of which are expected to be filled for half the year resulting in 1 FTE:

- Program Analyst, grade 13 full-year salary of $89,033 - $115,742 . The Program Analyst would plan events, coordinate activities, advocate, encourage, and exercise staff liaison responsibility with Directors of Contracting within the Operating Administration and their contracting officers to ensure the adequate and proper performance of the Small Business Program functions of the various Operating Administrations.

- Administrative Support Assistant, grade 9 full-year salary of $51,630 - $67,114. Provides administrative support services and assistance for the successful completion of programs, events, customer services & information, research and reports.

27. Please provide a listing of the reimbursable agreements between this office and historically black and Hispanic colleges and institutions.

RESPONSE: In FY 2009, a $150,000 Women's Program Agreement was established with Spelman College, which is a private, independent, liberal arts, Historically Black College (HBCU) for women located in Atlanta, Georgia.

28. Please provide examples of the assistance provided in FY 2009 to specific businesses that demonstrate the value of the program.

RESPONSE: Examples of assistance provided during FY 2009 include:

- Business counseling, procurement training, Disadvantaged Business Enterprise (DBE) Certification assistance, and DOT procurement opportunities to the following:
  - Abentrix - counseling to identify procurement opportunities.
  - American Defense Services – added to database of eligible firms for DOT contract work.
  - Sigma Environmental Solutions, Inc - added to database of eligible firms for DOT contract work.
  - SWK Management and Consulting Services - referred to Texas DOT for mentorship program.
  - Diversified Highway – assisted with DBE application.
  - Genaro Silva Company – assisted with DBE application.
  - MasikaTech – Assisted with DBE application and them obtaining a $100,000 contract.
- General assistance provided to the following firms:
  - Energy Corporation, a minority owned electrical contractor.
  - Skyline Painting Company, LLC, a DBE painting company.
  - Barmor Staffing, a woman owned and DBE certified staffing company.
  - M Livingston Group ,woman-owned human resources consulting firm, received DBE certification assistance.
  - LDC Surveying inc, a Hispanic owned/DBE company and Surveying company.

- Masika Tech, an African American owned MBE company that engages in IT and Technical writing services.
- Ocean side construction Inc, a Hispanic owned and DBE certified that engages in General Construction.
    - SCE consultant, a Hispanic owned and DBE certified company that engages in Civil Engineering, Planning, Design, & Construction Management.
    - Macnak Construction LLC, Asian owned and MBE and DBE certified company that engages in general construction.
    - Fuller Electric, a woman owned and DBE certified company that engages in construction electrical services.
    - Luminex, woman owned and DBE certified company that engages in lighting services.
    - Leading Edge Venture LLC, a Hispanic and minority owned company engages in general construction.
    - Lift Solution, a Hispanic owned, DBE company that engages in Elevator Parts & Elevator supplier.
    - O'Neill environmental a Hispanic owned and DBE certified firm that engages in Environmental Site Assessments services.
    - Atlantic Contracting Company, Inc. (ACCI), is a Woman Business Enterprise (WBE) and DBE specializing in heavy highway construction.

- DBE Certification Workshops for non-certified Florida businesses that resulted in new DBE certified firms including:
    - Karen Hollis, KE 2 Contract, LLC.
    - Lourdes Vasallo, Greenman and Co., Inc.
    - Juan Velez, Pyramid C Services
    - Yvonne Garth, Garth Business Solutions
    - Cesar Gutierrez, Solid Construction General Contractor Corp.
    - Carlos Rolle, Palm Construction and Design Group, Inc
    - Zurima Muchati, Muchati Engineering Contractors, Inc.
    - Jose Cardenal, Lamaco Enterprises, Inc.
    - Juan Velez, Pyramid C Services, Inc.
    - Christine Boyd, Creative Edge, Inc.
    - Marco Campestrini, MFH Sheet Metal Fabricators Corp.

Minority Business Resource Center Program

29. How many loans under this program have defaulted in each of the last five years?

RESPONSE: The information follows.

FY 2010 through 05/26/2010	0 loans
FY 2009	0 loans
FY 2008	0 loans
FY 2007	0 loans
FY 2006	2 loans defaulted

30. What is the composite estimated default rate for this program in FY 2011?

RESPONSE: The subsidy rate for FY 2011 is 1.79%.

Office of Civil Rights

31. Please provide a table showing cases filed, remanded, closed, and overaged regarding the civil rights caseload for FY 2004 through FY 2009.

RESPONSE: Following is the requested information.

YEAR	FILED	REMANDED	CLOSED	OVERAGED
2004	517	9	89	91
2005	428	20	122	50
2006	483	30	91	49
2007	478	43	120	63
2008	376	18	137	155
2009	345	22	130	31

Working Capital Fund

32. Please provide tables that detail obligations by business practice, comparing FY 2005 through FY 2009.

RESPONSE: The information follows.

Obligations by Business Practice FY 2005 Through FY 2009					
Description	2005 Actual Enacted	2006 Actual Enacted	2007 Actual Enacted	2008 Actual Enacted	2009 Actual Enacted
Assistant Secretary for Admin					
Acquisition & Procurement Operations	4,483	3,216	2,209	2,386	2,266
Building Security	13,018	13,811	11,891	11,466	13,064
Commercial Services Management	657	1,634	1,684	2,167	534
Consolidated Federal Funds	74	71	76	120	123
Copier, Printing & Multimedia	9,569	10,045	9,370	8,044	8,307
Disability Resource Center	1,322	1,479	1,587	1,953	1,876
Dockets Management and Operations	1,859	2,092	1,968	1,727	1,565
Facilities Services & Utilities	6,011	11,153	10,288	8,349	8,759
Federal Laboratory Consortium	19	15	23	23	21
FEMA COOP Facility	483	580	1,480	1,501	1,051
Financial Mgmt, Accting & Admin	5,553	6,498	7,036	7,193	6,902
Flexible Spending Account	0	0	170	288	346
Grants Information System	84	60	220	500	1,445
Human Resource Services	3,485	3,871	5,080	5,237	4,466
Library & Information Services	2,669	3,052	2,877	2,632	2,449
Mail Services & Postage	2,907	3,364	3,375	3,194	3,044
Publications Distribution	630	934	861	844	617
Rent & Space Management	4,185	6,308	5,871	5,996	6,472
Security Operations	3,044	3,718	4,090	4,543	6,027
Substance Abuse Awareness & Testing	4,675	5,120	8,341	5,679	4,847
Transit Benefits and Parking	186,944	236,931	227,856	241,616	340,620
Unemployment Compensation	25,961	1,300	18,450	3,450	7,050
Warehouse	719	784	801	785	731
Assistant Secretary for Admin Subtotal:	**278,351**	**316,036**	**325,604**	**319,693**	**422,579**
Office of the Chief Information Officer					
Campus Area Network	1,892	1,874	2,079	2,069	1,974
Desktop Services	6,510	14,767	14,049	17,912	18,702
IT Infrastructure	8,406	9,152	9,596	11,879	13,066
IT Security & Support	7,651	38,219	0	0	0
Server & Messaging Services	2,629	7,726	7,757	7,296	11,073
Voice, Cable & Wireless	23,083	23,957	21,165	13,977	10,123
Chief Information Officer Subtotal:	**50,171**	**95,695**	**54,646**	**53,133**	**54,939**
TOTAL	**328,522**	**411,731**	**380,250**	**372,826**	**477,518**

33. Please update the "Working Capital Fund, Operating Administration Cost, And Other Expenses Estimate" chart in the Congressional justifications on Sec. 6-14 to include the actual amounts for FY 2008 and FY 2009.

RESPONSE: The information follows.

Working Capital Fund
Operation Administration Costs
And Other Expenses Estimate
($000)

Operating Administration	FY 2008 Actual Enacted WCF Administration	FY 2008 WCF OCIO	FY 2008 Total	FY 2009 Actual Enacted WCF Administration	FY 2009 WCF OCIO	FY 2009 Total	FY 2010 Actual Enacted WCF Administration	FY 2010 WCF OCIO	FY 2010 Total	FY 2011 Estimate WCF Administration	FY 2011 WCF OCIO	FY 2011 Total
OST	11,019	8,226	19,245	10,254	6,928	17,182	9,935	7,042	16,977	8,797	7,556	16,239
FAA	19,351	8,810	28,161	19,106	9,271	28,377	20,245	10,619	30,864	21,901	9,992	31,893
FHWA	7,781	7,037	14,818	7,941	7,775	15,716	8,096	8,431	16,527	8,806	13,021	21,827
FRA	2,343	4,023	6,366	2,587	4,235	6,822	2,890	3,319	6,209	3,156	3,710	6,866
NHTSA	4,624	5,702	10,326	4,746	5,598	10,344	5,065	5,861	10,926	5,264	6,548	11,812
FTA	2,710	3,675	6,385	2,803	3,773	6,576	3,056	3,826	6,882	3,423	4,431	7,854
SLSDC	160	159	319	174	157	331	184	217	401	215	371	586
VOLPE	75	0	75	37	3,508	3,545	10	226	236	250	187	437
MARAD	3,001	3,707	6,708	2,805	3,701	6,506	3,100	3,103	6,203	3,016	3,644	6,660
OIG	2,366	715	3,081	2,195	799	2,994	2,524	934	3,458	2,521	1,149	3,670
STB	256	0	256	133	0	133	152	0	152	192	0	192
FMCSA	3,646	2,392	6,038	3,253	2,407	5,660	3,448	2,608	6,056	4,725	3,484	8,209
RITA	2,719	2,013	4,732	2,385	2,412	4,797	2,657	2,501	5,158	2,367	3,055	5,422
PHMSA	3,185	2,578	5,763	2,902	3,182	6,084	3,143	3,841	6,984	3,466	4,275	7,741
DOT Unspecified	3,948	5,179	9,127	3,795	5,094	8,889	5,130	18,769	23,899	791	6,700	7,605
SUBTOTAL	67,184	54,216	121,400	65,116	58,840	123,956	69,635	71,297	140,932	68,890	68,123	137,013
Other Expenses												
Capital Assets	0	0	0	0	1,100	1,100	46	1,186	1,232	100	5,220	5,320
Depreciation	(416)	(4,372)	(4,788)	(215)	(3,832)	(4,047)	(210)	(4,051)	(4,261)	(156)	(5,439)	(5,595)
Net NON-DOT Intrafund Costs	6,194	0	6,194	7,085	0	7,085	7,704	0	7,704	8,303	0	8,303
Net WCF Intra Fund Costs	2,505	2,783	5,288	1,805	(1,805)	0	3,803	(1,814)	1,989	4,342	(1,287)	3,055
TOTAL	**75,467**	**52,627**	**128,094**	**73,791**	**54,303**	**128,094**	**80,978**	**66,618**	**147,596**	**81,479**	**66,617**	**148,096**

Note: Totals may not add due to rounding

34. Please provide a chart of all the IT Systems the Department supports. Please identify the program(s)/mode(s) they support, their business line, their purpose, their annual maintenance costs and the total investment made by the Department over the lifetime of the system.

RESPONSE: The information follows.

OFFICE OF THE SECRETARY/WORKING CAPITAL FUND

IT Systems

System Name	Business Line	Modes Supported	Purpose	Annual Maintenance	Total Lifetime Investment	
FISMA Reporting tool	Information Assurance & Privacy	All Modes	To provide uniformity in certification and accreditation (C&A) processes and reporting across the Department.	$50,000	$450,000	1
Remedy/Asset Management Software			DOT Incident, Problem, Change, and Asset Management application	$466,633	$800,000	2
Telecommunications System	Voice, Cable & Wireless	All Modes	Telephone system serving DOT Campus >15,000 users	$204,241	$15,121,763	
DOT Campus Network	Campus Area Network	All Modes	Network infrastructure, wide-area network and Internet connectivity for the DOT headquarters and connectivity between DOT HQ and other DOT buildings in the DC Metro area, including the FAA HQ	$2,023,650	$13,889,243	
Primary Data Center/Storage Area Network	Server & Messaging Services	All Modes, excluding FAA, limited OIG support	Facility system costs and equipment to support primary data center*	$2,519,912	$5,904,752	3
Message Gateway		All Modes	Mail and directory system licenses and maintenance	$678,220	$1,360,406	
Totals				**$5,942,656**	**$37,526,163**	

(1) Annual payment to Department of Justice

(2) Estimate - not previously capitalized

(3) Annual maintenance includes off-site server hosting facility charges

Financial Management Capital

35. Please provide a listing of all new positions requested in FY 2011 for Financial Management Capital, showing the position title, grade level, salary, and basic description of the position responsibilities.

RESPONSE: Three FTEs were requested in FY 2011 for the Financial Management Capital appropriation. These resources will provide critical leadership and support of the Financial Management Business Transformation (FMBT) initiative primarily related to maintaining compliance with internal control requirements. Specifically key position responsibilities will include:

- Development and implementation of FMBT quality controls
- Development and implementation of a Risk Management Plan and related risk mitigation activities
- Management and monitoring of project plans and schedules
- Establishment and implementation of controls, processes, and procedures for the FMBT budget, reimbursable agreements, acquisitions, OMB Exhibit 300 compliance, and other key project areas

Resources include:

Program/Management Analyst – GS12, \$74K - \$97K
Program/Management Analyst – GS13. \$89K - \$115K
Program/Management Analyst – GS15, \$123K - \$155K

36. The budget requests \$21 million for Financial Management Capital. Please provide a timeline for this project and the funding needed for each phase of implementation.

RESPONSE: DOT OST provided the following charts to the Subcommittee on Transportation, Housing and Urban Development, and Related Agencies on April 28, 2010. The FMBT team is currently collaborating with Operating Administrations on key long-term project roll-out strategies in conjunction with an updated OMB Exhibit 300. Based on guidance from the FMBT's Executive Leadership Council (comprised of CFOs from the DOT operating administrations), the FMBT team will be modifying the detailed project schedule and accompanying charts with updated milestone dates, with a primary focus on additional details surrounding FMBT solution waves. We will provide the Subcommittee on Transportation, Housing and Urban Development, and Related Agencies updated project plan schedules later in the summer.

DOT Financial Management Business Transformation Activities and Milestones

- The presentation shows the activities and milestones within the 5 Financial Management Business Transformation (FMBT) teams: (1) Business Process

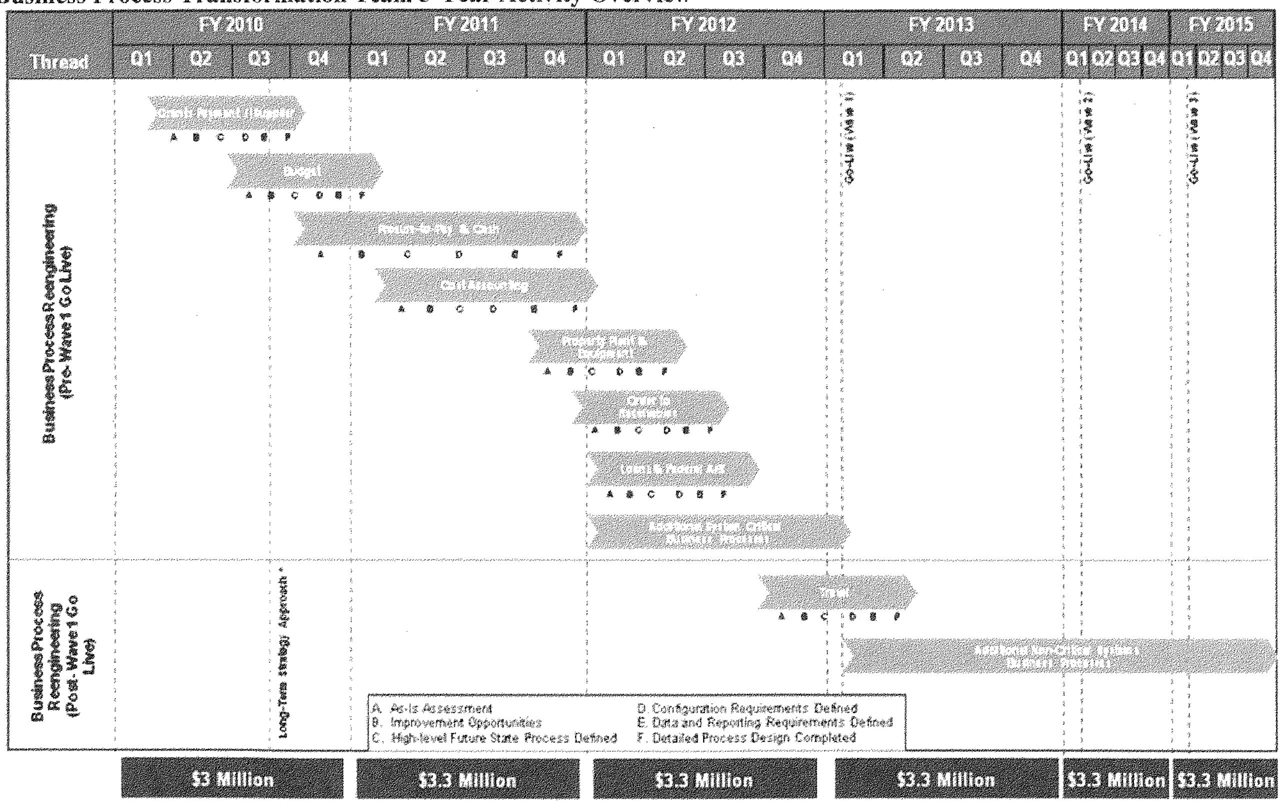
Transformation, (2) Systems, (3) Information Management and Reporting, (4) Project Management Office and Change and Learning.

- Fiscal Year (FY) 2011 funding level depicted in this presentation reflects the FY 2011 Budget Request. The funding levels for FY2012 through FY 2015 are the cost estimates in the Exhibit 300 for this project and are currently under review.

- The Systems team funding for FY2012 and FY2013 is higher than other years due to technology purchases.

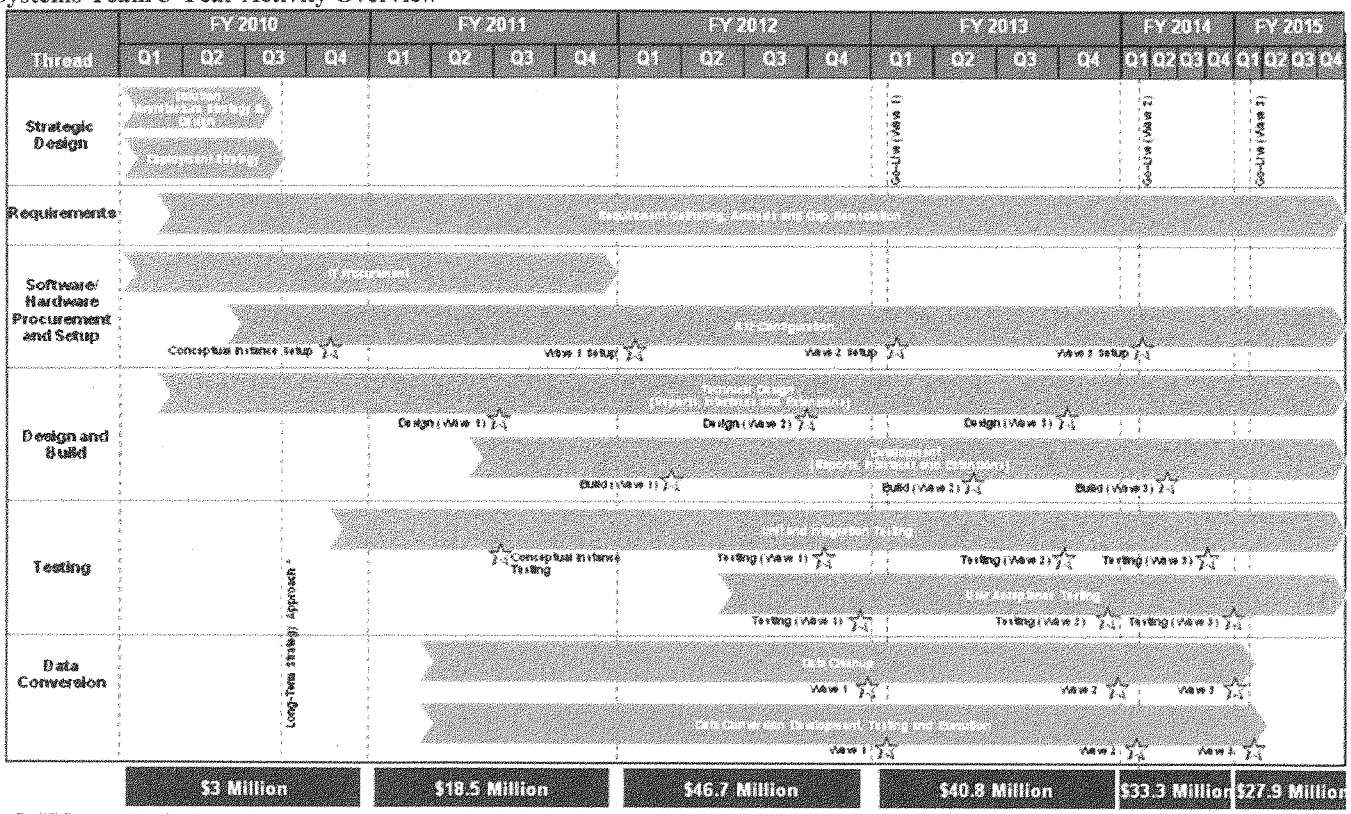
The presentation charts follow.

Business Process Transformation Team 5-Year Activity Overview



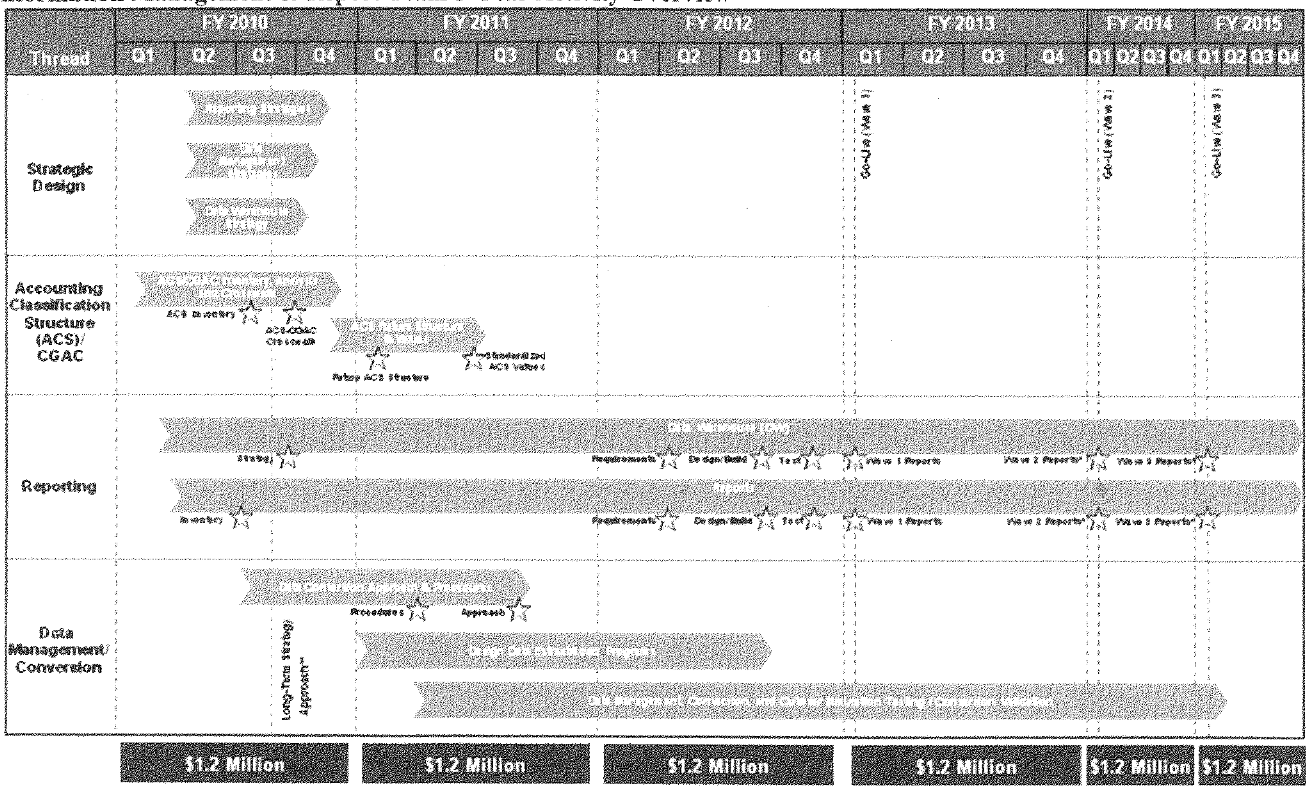
*FMBT Teams will be finalizing their long term strategy in Quarter 3 of 2010, therefore some deviations of the tasks and timeframes above may be necessary.

Systems Team 5-Year Activity Overview



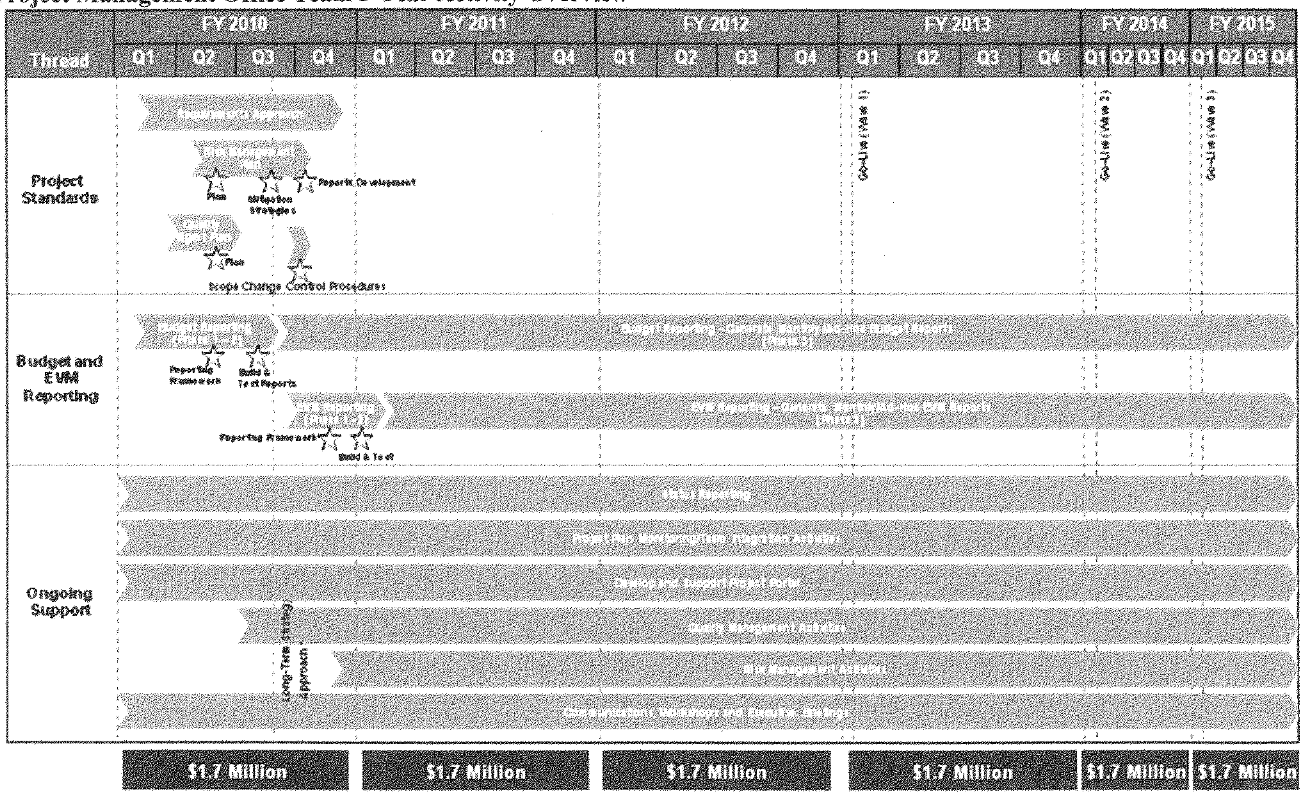
* FMBT Teams will be finalizing their long term strategy in Quarter 3 of 2010, therefore some deviations of the tasks and time frames above may be necessary.

Information Management & Report Team 5-Year Activity Overview



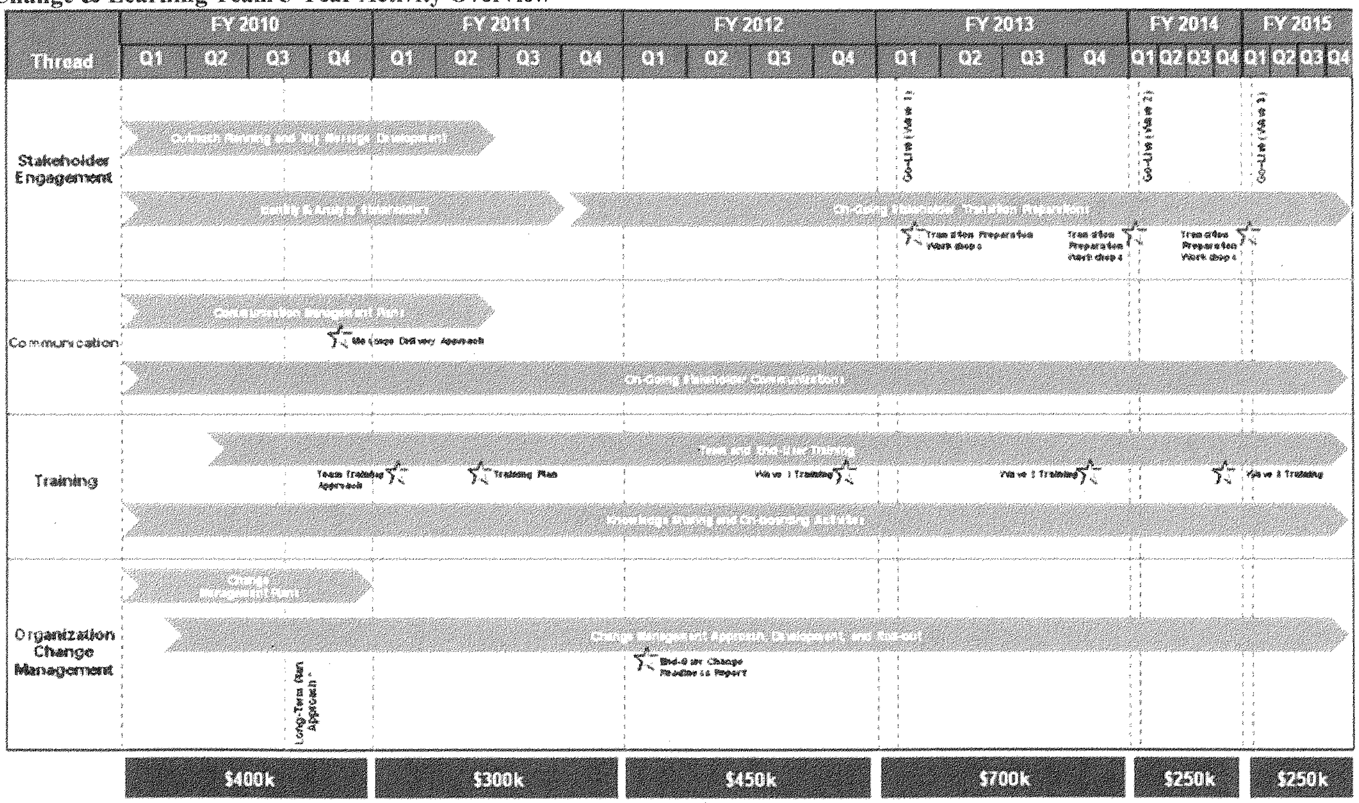
* Assumes duplication of the Data Warehouse Reports Development Lifecycle (Requirements, Design, Build and Test)
** FMBT Teams will be finalizing their long term strategy in Quarter 3 of 2010, therefore some deviations of the tasks and timeframes above may be necessary.

Project Management Office Team 5-Year Activity Overview



*FMBT Teams will be finalizing their long term strategy in Quarter 3 of 2010, therefore some deviations of the tasks and timeframes above may be necessary.

Change & Learning Team 5-Year Activity Overview



* FMBT Teams will be finalizing their long term strategy in Quarter 3 of 2010, therefore some deviations of the tasks and timeframes above may be necessary.

37. Please provide a chart, which delineates funding for Financial Management Capital for FY 2009 through FY 2015 by the actual/estimate of funding spent on each specific contract or activity.

RESPONSE: The FY 2009 – FY 2015 funding estimates are provided in the response to the previous question.

Cyber Security Initiative

38. Please provide a listing of all new positions requested in FY 2011 for the Cyber Security Initiative, showing the position title, grade level, salary, and basic description of the position responsibilities.

RESPONSE: The following positions are requested as part of the Cyber Security request.

Program Manager (1 position, GS-15, $123,758 - $155,500)
Position will manage large Departmental programs in the areas of security and risk management. The Program Manager will have operational oversight of the Cyber Security initiatives and report directly to Director-level IT Shared Services positions.
IT Specialist – Network (8 positions, GS-13-14, $89,033 - $136,771)
Network professionals will concentrate on the network security, storage, and engineering that make up the DOT framework. Positions will take an in-depth look at security operations and make recommendations for improvement.
IT Specialist – Systems Engineering (5 positions, GS-13-14, $89,033 - $136,771)
Systems engineering positions will analyze current systems with regard to security and strengthening the DOT framework. Systems will be monitored to ensure high levels of reliability and availability.

IT Specialist – Perimeter/Firewall (2 positions, GS-13-14, $89,033 - $136,771)
Positions will focus on tactical operations relating to computing solutions, configuration management, perimeter management, service delivery, and modernization.
IT Specialist – Security (6 positions, GS-13-14, $89,033 - $136,771)
Security specialists will act as analysts in Information Security & Risk Management, Cybersecurity Operations, Compliance Monitoring, and Data Center Operations.
IT Specialist – Testing & Training (3 positions, GS-13-14, $89,033 - $136,771)
Technicians will test tools to ensure consistency within the DOT infrastructure and reduce the amount of unchecked software being deployed to the network. Positions will also work to create and deploy training to the DOT workforce.

39. The budget requests a one-time appropriation of $30 million for the Cyber Security Initiative. Please provide a timeline for this project and the funding needed for each phase of implementation.

RESPONSE: The information follows.

OFFICE OF THE SECRETARY/WORKING CAPITAL FUND
Cyber Security Initiative

Budget Priority	Budget Estimate	Initiative	Start Date	Planning Complete	Architectural Review Complete	Testing Complete	Pilot Complete	Implementation Complete
Enhance and Train the Cyber Workforce	1.5							
Enhance cybersecurity and privacy training program for federal and contractor personnel; develop and retain DOT cyber security and privacy workforce		**Desktop Security** - Awareness solutions, training	10/1/2010	12/31/2011	12/31/2011	3/31/2012	7/31/2012	8/15/2013
Enhance Network Perimeter Controls and Identity Management	4.9							
Mitigate existing weaknesses and risks; enhance protection at the edges of the network; allow only authorized personnel to access networks; replace aging infrastructure		**Trusted Internet Connection (TIC)** - Authorized access	10/1/2010	12/23/2010	12/23/2010	6/9/2011	6/9/2011	8/11/2011
		Infrastructure Security - Remote access	10/1/2010	12/23/2010	12/23/2010	9/21/2011	12/13/2011	2/15/2012
		Desktop Security - Network access	10/1/2010	12/23/2011	12/23/2011	7/20/2012	10/12/2012	6/21/2013
		Test Environment - Secure integration	10/1/2010	11/1/2010	1/1/2011	4/1/2011	5/1/2011	7/1/2011
Implement Federal Cyber Security Initiatives and Infrastructure Enhancements	9.3							
Execute and implement initiatives to reduce exposure to external attacks; consolidate internet access points; implement intrusion detection services.		**Infrastructure Security** - Voice communications	10/1/2010	12/23/2010	12/23/2010	7/21/2011	10/13/2011	2/16/2012
		Trusted Internet Connection (TIC) - Reduce connections	10/1/2010	12/23/2010	12/23/2010	11/24/2011	2/16/2012	10/25/2012

		DNSSEC - Secure Domain Name Services	**10/1/2010**	**12/23/2010**	**12/23/2010**	**7/21/2011**	**10/13/2011**	**2/16/2012**
		Desktop Security - Capability implementation	**10/1/2010**	**12/23/2011**	**12/23/2011**	**7/20/2012**	**10/12/2012**	**6/21/2013**
Extend and Enhance Information Technology Validation	1.0							
Ensure that new business applications, systems, and services meet cybersecurity and privacy requirements		**Test Environment** - Validate software/hardware	**10/1/2010**	**11/1/2010**	**1/1/2011**	**4/1/2011**	**5/1/2011**	**7/1/2011**
Securing the Desktop and Improving Compliance	13.3							
Fully implement encryption on DOT desktop and laptop computers, removable devices, and networks; implement configuration standards and automated configuration management; extend and enhance monitoring, alerting, and reporting		**Infrastructure Security** - Detect and respond	**10/1/2010**	**12/23/2010**	**12/23/2010**	**9/21/2011**	**9/21/2011**	**1/24/2012**
		Compliance Monitoring - Real-time assessments	**10/1/2010**	**10/30/2010**	**11/30/2010**	**9/1/2011**	**6/13/2012**	**8/15/2012**
		Trusted Internet Connection (TIC) - Configuration standards	**10/1/2010**	**3/17/2011**	**3/17/2011**	**11/24/2011**	**2/16/2012**	**10/25/2012**
		Desktop Security - Baseline configuration	**10/1/2010**	**12/23/2011**	**12/23/2011**	**7/20/2012**	**10/12/2012**	**6/21/2013**
	30.0							

40. Please provide a table delineating Cyber Security Initiatives by mode.

RESPONSE: The information follows.

CYBER SECURITY INITIATIVE

Budget Priority	Agencies												
	OST	FAA*	FHWA	FMCSA	FRA	FTA	MARAD	NHTSA	OIG	PHMSA	RITA	SLSDC	STB
Enhance and Train the Cyber Workforce	X		X	X	X	X	X	X		X	X	X	
Enhance Network Perimeter Controls and Identity Management	X	X	X	X	X	X	X	X	X	X	X	X	
Implement Federal Cyber Security Initiatives and Infrastructure Enhancements	X	X	X	X	X	X	X	X	X	X	X	X	
Extend and Enhance Information Technology Validation	X	X	X	X	X	X	X	X	X	X	X	X	
Securing the Desktop and Improving Compliance	X	X	X	X	X	X	X	X	X	X	X	X	

* FAA has very limited participation in the yellow shaded areas; the grey shaded areas denote NO participation.

National Infrastructure Innovation and Finance Fund (I Fund)

41. Why did the Administration choose to focus the I Fund proposal on Transportation related infrastructure projects instead of infrastructure needs in general?

RESPONSE: In 2011, the Administration adjusted a 2010 proposal for a National Infrastructure Bank (NIB) by moving it into the Department of Transportation (DOT) as a new operational entity and changing its title to National Infrastructure Innovation and Finance Fund (I-Fund). The I-Fund proposal is otherwise largely consistent with the 2010 NIB proposal and the title was changed only to highlight that the proposal will not share many features of past legislative proposals for an NIB such as independent borrowing authority. The I-Fund will focus on transportation infrastructure projects as well as transportation related projects.

42. How will the Department evaluate I Fund applications?

RESPONSE: The I-Fund will target high-performance investment opportunities nationwide in communities large and small, rural and urban. Projects that would receive the highest priority are those that are regionally or nationally significant and would be difficult to fund otherwise. These projects would have a demonstrable merit and provide a significant economic benefit to the Nation or a region.

43. How does the Department propose to deal with areas that have a great need for investment but lack capacity to capitalize on I Fund funding?

RESPONSE: The I-Fund is structured so that the Secretary may waive the minimum grant size to fund significant projects in small cities and rural communities. Further, the I-Fund can invest in upfront planning and feasibility funding to identify significant, high-value, projects and to evaluate the merit of those projects.

44. Does the I Fund proposal incorporate lessons learned from the TIGER program? If yes, how so?

RESPONSE: The I-Fund will incorporate the lessons learned from the TIGER program in regards to using a comprehensive cost-benefit analysis for decision making. The cost-benefit analysis performed should be much broader than just the project cost and the benefit of time saved. Environmental and community benefits should be incorporated into the calculation as well as the congestion relief benefits.

45. What percentage of the funds will be used for grants and what percentage will be used for loans?

RESPONSE: The specific split of funds between grants and credit assistance will be determined based on the types of projects that are ultimately selected. However, one of the goals of the I-Fund is to leverage the appropriated funding to build more transportation infrastructure.

46. Does the Department envision the I Fund eventually becoming a bank or revolving fund?

    RESPONSE: The I-Fund proposal in 2011 differs from the National Infrastructure Bank proposal in 2010. One significant change is to allow the I-Fund the ability to issue grants which is not a "bank" attribute. Another change was to provide credit assistance in accordance with the Credit Reform Act of 1990 and using appropriated budget authority instead of utilizing a revolving fund approach.

47. When will the Department submit its legislative proposal for the I Fund to Congress?

RESPONSE: The Administration is finalizing its legislative proposal and anticipates transmitting it to Congress shortly.

Surface Transportation Reauthorization

48. The Department started the year by embarking on a series of national listening sessions to gather ideas on how best to reshape surface transportation programs in the next authorization. How many listening sessions has the Department conducted so far? Please provide a list of these sessions, including the dates held, locations, and participants. Also include any additional sessions that are planned for future dates.

RESPONSE: The Surface Transportation Reauthorization Tour is series of meetings across the U.S. to bring together Federal, state and local officials, as well as transportation providers, users, and other stakeholders, to discuss the upcoming surface transportation reauthorization bill. The tour was designed to focus on the transportation challenges and opportunities stakeholders face at the local, regional and State level. Each event includes a town hall-style meeting hosted by Secretary LaHood, as well as several panels featuring local, state, and federal leaders, as well as private sector representatives and other transportation stakeholders.

Meeting Location	Date	Participants
New Orleans, LA Le Pavillon Hotel	December 1, 2009	Approx. 160 attendees, including: *Congressman Joseph Cao* *Congressman Steve Scalise* *Mayor Ray Nagin* *Secretary Bill Ankner (LA DOTD)* *Director Butch Brown (MS DOT)*

Minneapolis, MN University of Minnesota – Humphrey School of Public Affairs	January 25, 2010	Approx. 300 attendees, including: *Chairman Jim Oberstar* *Senator Amy Klobuchar* *Congresswoman Betty McCollum* *Congressman Keith Ellison* *Mayor Christopher Coleman* *Mayor R.T. Rybak* *Commissioner Tom Sorel (MN DOT)* *Secretary Frank Busalacchi (WI DOT)*
Los Angeles, CA Los Angeles County Metropolitan Transportation Authority	February 17, 2010	Approx. 300 attendees, including: *Senator Barbara Boxer* *Mayor Antonio Villaraigosa* *Secretary Dale Bonner (Cal BTH Dept.)* *Director Randy Iwasaki (CalTrans)*
Houston, TX George R. Brown Convention Center *(with ITS America)*	April 12, 2010	Approx. 400 attendees, including: *Congresswoman Sheila Jackson Lee* *Judge Ed Emmett (Harris Co.)* *Deputy Director Steve Simmons (TX DOT)*

Bismarck, ND Bismarck Civic Center	June 4, 2010	100 RSVPs, 980 invited including: *Senator Kent Conrad* *Congressman Earl Pomeroy* *Governor John Hoeven* *Director Francis Ziegler (ND DOT)* *Secretary Darin Bergquist (SD DOT)* *Director John Cox (WY DOT)* *Director Jim Lynch (MT DOT)*
Washington, DC U.S. Department of Transportation	July 9, 2010 (tentative)	TBD

49. What has the Department learned from the sessions held so far and what does it expect to get out of any remaining sessions?

RESPONSE: To date, Secretary Ray LaHood has hosted four meetings in New Orleans, Minneapolis, Los Angeles, and Houston. Two more meetings are planned for Bismarck, ND on June 4 and Washington, DC tentatively scheduled for July 9. The sites were selected to achieve geographic diversity and cover the Department's five strategic goals – safety, state of good repair, economic competitiveness, livability and environmental sustainability – as well as a range of more specialized topics such as rural and tribal needs, freight transportation, and performance management.

And as part of the tour, Secretary LaHood and other DOT officials also took the opportunity to visit local roadway, transit, rail, port, bike and pedestrian projects as well as operational facilities to hear firsthand from frontline employees, local officials, businesses and residents about their challenges, successes and future plans on the ground.

The ongoing fiscal sustainability of the Federal surface transportation program and lack of political consensus on revenue solutions was of great concern at every meeting. We particularly heard a lot of first hand testimony about the difficult funding choices that states and local governments are facing as they grapple with their own transportation revenue shortfalls from dropping gas and sales tax receipts and reduced general funding. Many local and state officials testified that the infusion of ARRA funds has helped to forestall some of the effects of the revenue drops and kept a lot of transportation projects moving ahead, but are not a sufficient long-term solution.

There was a lot of discussion of, but no consensus on, various potential funding sources – general funds, raising the gas tax, mileage-based fees, revenues from a climate change program, greater use of private sector capital, tolling, and achieving more efficient use and performance of existing facilities through pricing and technology. The Federal surface transportation program has been receiving steady funding increases for decades and it is clear from the discussions

USDOT has held around the country so far that the program's current fiscal situation presents a profound political and economic challenge that most transportation stakeholders are increasingly beginning to grasp.

Along those lines, what emerged in all of the sessions to date was a tremendous amount of frustration about the lack of responsiveness and needless complexity, rigidity and stovepiping of the Federal and state transportation programs to regional, local and citizen concerns, particularly as communities increasingly want to pursue more multi-modal and holistic solutions to their transportation needs. There needs to be a better partnership among all levels of government and local citizens in determining transportation priorities and greater flexibility in achieving those priorities.

There was also a lot of consensus about the need to transition from a formula-based program to one that is more outcome-based with measureable results and the national outcomes we want our transportation program to achieve. While there is still a lot of debate about what are the most important outcomes, job creation and economic competitiveness remain top concerns with most participants as well as better safety-related law enforcement, public education and infrastructure investments.

And many participants were keenly interested in hearing firsthand about the High Speed and Passenger Rail and TIGER grant programs and how they could better position themselves to compete for funding.

Livability proved to be one of the liveliest topics at all the meetings and many stakeholders were passionate in their support for the concept and what it could do to improve their local communities . Livability nonetheless remains a very new concept which can be very difficult to operationalize within existing transportation agencies and programs, let alone across multiple agencies that address the related areas of housing, economic development and environment. In every meeting to date, there was a lot of strong support for providing Americans with additional transportation options beyond driving, including buses, rail, cycling and walking.

Below is a synopsis of some of the key areas of discussion and concern at each event.

New Orleans, LA – Focus on disaster recovery and rebuilding and enhancing economic opportunity, including freight movement and port development.

The New Orleans and Gulf Coast region is still absorbing the lessons of Hurricane Katrina and trying to rebuild its infrastructure to achieve greater resilience, redundancy and efficiency. To this end, participants noted the need for, among other things, maintaining our transportation assets in a state of good repair, moving vital assets away from disaster-prone areas, and providing response training to transportation service providers.

The Gulf Coast is also trying to insure that future transportation investments provide more widespread and equitable economic benefits for all its citizens, and this has required better planning and analysis at the local, MPO and state level. There is also a deep interest in freight and port investments to sustain and grow the region's economy.

Participants noted the need for cultural change within highway safety agencies. Rather than being primarily reactive in nature, agencies should place more emphasis on proactive measures to avoid accidents before they occur. Classroom education focusing on the consequences of individual choices related to, among other things, impaired driving, driver inattention, speeding, and use of seatbelts would be a step in the right direction. Moving away from the traditional stovepipe relationships among safety agencies and building stronger partnerships will also enhance highway safety. One example of breaking down barriers involves the standardization of the various agency databases and communications systems.

As the U.S. population continues to age, the need and desire for livable communities will increase. For many senior citizens who can no longer drive, the lack of mobility options hinders their quality of life. Participants indicated their support for the Department's efforts in encouraging transit-oriented development and promoting "complete street" policies.

Minneapolis, MN – Focus on the funding and programmatic challenges to providing more transportation choices and rural and tribal transportation needs.

The Minneapolis/St. Paul region has in recent years increased its focus on investing in transit, rail, and bicycle and pedestrian facilities, as well as investing in technologies to make more efficient use of their roadway capacity, and working through the funding and operational challenges that have emerged. In testimony from state, city, county and local officials from throughout the State of Minnesota, it was clear there is a lack of consensus at the state level about how to divide scarce transportation dollars between urban and rural areas.

Participants spoke about the distinctive transportation characteristics of rural and tribal communities where planners must consider a roadway system that can accommodate farm and heavy industrial equipment, automobiles, and increasing numbers of pedestrians and cyclists safely. In tribal communities, inadequate funding has resulted in a lack of access, safety and mobility, in addition to a large maintenance backlog. Participants noted the need for a renewed partnership between the Federal Highway Administration, the Bureau of Indian Affairs, and the various tribes. Additionally, participants argued for the need for increased transportation investments in tribal communities.

Los Angeles, CA – Focus on the need for job creation and economic growth through transportation investments, need for more freight investments, and increasing need in the region for mass transit and bike and pedestrian solutions to congestion.

Many participants testified that Los Angeles County, which has a diverse population of 10.4 million people, is facing double digit unemployment in the wake of the real estate and construction downturn and is in dire need of greater investment and economic opportunity. As home to the nation's largest port complex, the LA region has a long-standing interest in the effective and efficient movement of freight and in mitigating some of the effects of freight facilities on local communities. Many participants, especially from the business community, underscored the need for a coherent and well-funded national freight plan.

However, participants noted that a plan to address critical issues such as aging infrastructure, increased congestion, growing long-term port demand, and climate change concerns alone will not suffice. Increased flexibility in terms of funding structures is also required. Aside from the recent TIGER Discretionary Program which provided substantial federal funding for vital freight projects, in general, freight is left out in traditional funding structures. Among the myriad of funding options offered by the participants were broadening the eligibility under Title 23, and continued encouragement of public-private partnerships within the realm of the freight sector.

Los Angeles's "30-in-10" transportation plan was promoted as a model for regions trying to take a comprehensive approach to their transportation needs. Participants commented that jurisdictions that are willing to tax themselves in order to meet their transportation needs should be rewarded by the Federal Government. Los Angeles also had the largest contingent of bicycle supporters – they staged a large rally before the event – and they emphasized the need not only for funding, but just as importantly for Federal, state and local policies that better accommodate cyclists and pedestrians.

Houston, TX – Focus on the capacity expansion needs of a fast-growing region and how performance management, technology and intelligent transportation can be part of the solution.

A major theme in Houston was the need to pursue passenger and freight capacity expansion to meet anticipated population growth in an era of fiscal constraint. There was widespread support for transit and the principles of livability and multi-modalism (including some calls for high-speed rail) as a means to improve the "quality of place" in the Houston region. Many participants noted that transportation is an essential component of enabling the Greater Houston area (and so many communities and mega regions across the nation) to accommodate future population and economic growth. The key challenge to all of this is funding, and Houston meeting participants recognized the urgent need to work innovatively to seek solutions.

Following on the tail end of the ITS America Conference, another key highlight from the Houston session was a renewed focus on the role of technology and ITS as cost-effective ways to improve the capacity, efficiency and performance of our transportation systems. Participants also grappled with how to do a better job of tracking performance in the U.S. transportation system across a variety of state and local programs and using that information to ensure accountability and achieve key priorities.

Bismarck, ND – Anticipated focus on rural, tribal and agricultural transportation needs.

On June 4th, USDOT will host an outreach session in Bismarck with a particular focus on rural transportation issues. USDOT anticipates that the event will be attended by transportation stakeholders from across the Great Plains, including elected officials, tribal, state, and local government representatives and local and regional transportation stakeholders. In addition to a roundtable discussion with Secretary LaHood, the event will include three panels: a plenary session featuring the DOT directors from North Dakota, South Dakota, Montana and Wyoming, a panel on rural passenger transportation, and a panel on freight challenges and agricultural transportation. The event will explore the critical role that transportation plays in rural economic development and the challenges of transporting agricultural products, with a discussion of the recently released joint USDOT-USDA report entitled "Study of Rural Transportation Issues" and the needs of the growing energy transportation industry in the Great Plains. Tribal and rural transit representatives will also be present, providing USDOT with an opportunity to learn about the transportation challenges faced by their communities and how they might be addressed in the upcoming surface transportation reauthorization.

Washington, DC – Focus on discussion with national, state and stakeholder groups, both governmental and industry, USDOT and Administration officials and elected officials

A final Surface Transportation Reauthorization Outreach Tour event is tentatively planned for July 9th in Washington, DC. USDOT expects this session to be attended by USDOT and other Administration officials, elected officials, and representatives of major national transportation organizations. The session will be an opportunity for these groups to discuss their priorities for surface transportation reauthorization legislation, including issues of funding, economic competitiveness, sustainability, and job creation. USDOT will take input gathered from this session and from previous sessions into consideration as it develops a surface transportation reauthorization proposal.

50. Please provide on a session-by-session basis the costs associated with each of these listening sessions, including a list of the accounts from which these expenses were paid.

RESPONSE: The Surface Transportation Reauthorization Tour is jointly funded by the Department of Transportation's Office of the Secretary, and the Federal Highway Administration. The Office of the Secretary's expenses were paid out of the OST Salaries and Expenses Account. The Federal Highway Administration's expenses were funded by Federal Highway Administration's Limitation on Administrative Expenses account.

The total costs of each of the events thus far are:

Meeting Location	Date	Total Cost
New Orleans, LA Le Pavillon Hotel	December 1, 2009	$26,903
Minneapolis, MN University of Minnesota – Humphrey School of Public Affairs	January 25, 2010	$24,261
Los Angeles, CA Los Angeles County Metropolitan Transportation Authority	February 17, 2010	$26,206
Houston, TX George R. Brown Convention Center (with ITS America)	April 12, 2010	$11,976 (Estimated as of 5/25/2010)
Bismarck, ND	June 4, 2010	$7,070

Meeting Location	Date	Total Cost
Bismarck Civic Center		(Estimated as of 6/4/2010)
Washington, DC U.S. Department of Transportation	July 9, 2010 (tentative)	TBD

In addition, $13,685 in general equipment and administrative costs were used to support all of the events.

51. When should the Congress expect to see a full-fledged reauthorization proposal from the Administration?

RESPONSE: Earlier this year, Secretary Ray LaHood stated that USDOT would be releasing its reauthorization principles in the coming months. USDOT has been conducting public outreach meetings throughout the U.S., consulting with Congressional Members and staff, and meeting with a wide range of transportation stakeholders as it formulates these principles. USDOT's final reauthorization outreach meeting has been tentatively scheduled for July 9, 2010 in Washington, DC.

Following that meeting and subsequent public comment and input, USDOT expects to finalize its reauthorization principles and continue its work within the Administration and with Congress, State DOTs, transit agencies and other transportation stakeholders in crafting more detailed proposals and legislative language.

52. Will the proposal include any recommendations to address the long-term solvency of the Highway Trust Fund and the significant funding gap that exists between our current investment and the investment needed to improve our transportation network? What options is the Administration considering to ensure that our Federal highway, highway safety, transit, and motor carrier safety programs have adequate funding resources for the years to come?

RESPONSE: The Administration fully understands the need to address the nation's serious long-term surface transportation funding issues beyond our FY11 Budget proposal to Congress to create a National Infrastructure Innovation and Finance Fund. Our nation must have a national surface transportation program that is performance-driven and accountable, achieves major economic, environmental and other policy goals, and has predictable and sustainable funding.

However, the surface transportation reauthorization must also fit within the broader context of current U.S. economic conditions and national fiscal considerations and be closely coordinated with other Administration and Congressional priorities. USDOT is committed to be an active partner in this process going forward.

TUESDAY, MARCH 16, 2010.

STRENGTHENING INTERMODAL CONNECTIONS AND IMPROVING FREIGHT MOBILITY: AN OUTSIDE PERSPECTIVE

WITNESSES

WAYNE JOHNSON, DIRECTOR OF LOGISTICS, AMERICAN GYPSUM COMPANY

JOHN WOLFE, EXECUTIVE DIRECTOR, PORT OF TACOMA

BEVERLY K. SWAIM-STALEY, SECRETARY, MD DEPT. OF TRANSPORTATION

RICHARD F. TIMMONS, PRESIDENT, AMERICAN SHORT LINE AND REGIONAL RAILROAD ASSOCIATION

TIMOTHY P. LYNCH, SEN. VICE PRESIDENT, AMERICAN TRUCKING ASSOCIATION

CHAIRMAN OLVER'S OPENING REMARKS

Mr. OLVER. The subcommittee will come to order. At its core, the global economy determines winners and losers based on the costs at which a product can be produced and then brought to market. Within the global marketplace, the United States cannot compete with labor costs in developing countries. As a result, we must ensure that every other step of the process is more efficient, including the ability of domestic manufacturers to transport finished goods to the marketplace.

To that point, investments in our national infrastructure are not only about creating immediate construction jobs, but also long-term jobs that are established when manufacturers can access and gain advantage from an efficient, interconnected transportation network. In order to meet this challenge, the federal government plays a central role in developing and maintaining an intermodal system that meets our nation's national needs.

Last month, the Department of Transportation announced awards for the TIGER grant program established within the American Recovery and Reinvestment Act. This is a significant step for our federal transportation program, as it reflects a growing understanding that the interconnections between modes are just as important as mobility within a mode.

Helping us explore these complex networks, we have before us today a distinguished panel of experts and practitioners who represent different modes engaged in the movement of commerce. Beverly Swaim-Staley is Secretary of the Maryland Department of Transportation. John Wolfe is the Executive Director for the Port of Tacoma. Richard Timmons is President of the American Short Line and Regional Railroad Association. Wayne Johnson is the Director of Logistics for the American Gypsum Company. And Tim

Lynch is Senior Vice President for the American Trucking Association.

Thank you all for being here today. I believe that we at the table—there are a number of other hearings going on. That is one of the features once one gets into this hearing process. You have people who are three different subcommittees, and very often all three subcommittees are meeting at the same time. One of the others that I serve on is meeting at this very time.

Today I believe we will all benefit from your perspective, particularly on how our current system operates and where you believe there are opportunities for improved mobility. Furthermore, recognizing that the U.S. population is estimated to grow to close to 400 million people by 2050, I hope you will discuss how we can plan ahead to minimize conflict between the movement of freight and passengers, and what role new technologies may play in alleviating that tension. Your testimony will also set the tone and provide practical insight for tomorrow's hearing, where we will hear from the federal modal agencies that primarily impact freight mobility. Specifically, the Federal Highway Administration, the Federal Motor Carriers Safety Administration, the Maritime Administration, and the Federal Railroad Administration will provide testimony on their respective fiscal year 2011 budget request.

With that, let me recognize our Ranking Member John Latham for any comments that he would like to make.

RANKING MEMBER LATHAM'S OPENING REMARKS

Mr. LATHAM. Thank you, Mr. Chairman, and welcome the panel here today. And I think this will be an important hearing. I think it is interesting that the hearing from last week about livability or sustainability, the administration was supporting a proposal to take the scarce, and some would say nonexistent, highway trust fund dollars from the states, and instead give those funds to community planners.

If I am reading the testimonies correctly here today, these witnesses are saying just the opposite: highway trust fund dollars are desperately needed for road maintenance and congestion mitigation. Not only does our economy depend on the jobs that construction and maintenance supports, but general industry, distribution, and manufacturing depends on smooth mobility of freight.

My home state of Iowa, obviously, is an agricultural state, and our economy and the livelihood of thousands of farming families and other people in the business depend on agricultural products grown and processed in Iowa and getting to other cities, states, and, like Mr. Wolfe's testimony will say, to the rest of the world.

I really do look forward to the testimony and the questions and answers the next couple of hours because I think it will drive home the need to keep highway trust fund dollars for the purposes it was intended by the creators of the trust fund, and probably perhaps even more importantly, that the expectation of every person who buys a gallon of gas that these funds will be used to improve roads.

So with that, Mr. Chairman, I yield back.

Mr. OLVER. Thank you. We will now hear from the panel. Your complete written statements will be included in the record. If you can keep your oral summary to somewhere around six minutes—

we usually have this listed at five, but we are going to do six minutes today for each of you. Then we will be able to get on to questions from the panel. Thank you very much. Ms. Swaim-Staley.

MS. SWAIM-STALEY'S OPENING REMARKS

Ms. SWAIM-STALEY. Thank you. Good afternoon, Chairman Olver and Ranking Member Latham, members of the subcommittee. I am Beverly Swaim-Staley, Secretary for the Maryland Department of Transportation. Thank you very, very much for the opportunity to be here today to provide testimony to you from the state of Maryland on a topic that is of great importance to us in the public sector. My comments and a more extensive set of written comments, of course, you have been provided with.

Maryland's recent efforts in intermodal freight planning and investment, and the need for continuation of our federal matching grants, plus an improved organizational structure to support complex projects are some of the efforts that we are trying to advance in the state of Maryland. For more than 35 years, the Maryland Department of Transportation has functioned as a multimodal agency. Within the umbrella of the Department of Transportation, we have capital and operating responsibility for everything transportation-related, from the state-owned short line railroad on the eastern shore of our state to the port of Baltimore to the BWI Thurgood Marshall Airport and the interstates and roadways.

Now and in the future, freight growth in the U.S. will depend upon the provision of strong, critical capacity networks throughout. Some improvements are definitely needed in order for us to be able to alleviate the congestion that we experience, while others are required to accommodate a greater share of the modern freight equipment, including the post-Panamax ship and Doublestack. And those are some of the challenges that we certainly face in the state of Maryland, both at our port and our freight lines, just making sure that we can handle the larger cargoes that need to pass through our state.

Fortunately, I think Maryland has a flexible funding and organizational structure that does give us some of the flexibility, I think, to fund across the modes. In fact, we have a dedicated modal stream that really allows us to move revenue streams from one mode to the other, which I think is of extreme importance to us in Maryland.

Of course, the current downturn in the state revenues has affected our ability to fund new capital projects as well as our operating program. We have really also been forced, as many have, to look at non-traditional resources. We are employing things such as a public-private partnership at our new port—and I will speak a little bit about that in a moment—also looking to foster transit-oriented development, as well as other opportunities to move freight throughout our state.

As you might expect, Maryland's location along the northeast corridor is key. Our proximity, of course, to dense population centers make it very important, and frankly forces us to operate in mega-regional environment and to make sure that those investments that we are making in our region are across-region.

Like other states, we work across modes and borders to try to solve impediments to the growth and efficiency that we need to keep our states economically viable. MDOT is engaged in partnerships in several major areas, at our port and also in an intermodal rail-truck container facility.

One of our recent investments, our Governor O'Malley has announced a 50-foot berth at the port of Baltimore. This is our first public-private partnership. It is a 50-year lease with a company called Ports America. It is going to bring 5,700 jobs to our state and allow us to be able to work with the post-Panamax ships once the canal, the Panama Canal, opens. And we are very pleased about that.

We also have a CSX Gateway project, which is by far one of our most important projects. Of course, being able to provide for Doublestack is critical to the port of Baltimore. We need to make sure that we are working with our freight railroads to accomplish this. We were very pleased that USDOT awarded the project $98 million from the TIGER funding recently. Unfortunately, despite considerable state and private matching funds, this award is still 20 million shy of what we need for that segment from Pennsylvania to Ohio.

To realize the full benefits of the project, we needed to clear the route all the way from Maryland to Virginia, and to provide 50 percent of the cost to construct the new inland port. We have made that obligation for our state, but we need federal funds to match that.

We recognize the significant competition that was available in the TIGER funding, and we are certainly very appreciative of the first steps. And we certainly hope that these investments will continue to create solid employment and give permanent and long-term boosts to our economy, national and in the state as well.

Congress has given states broad flexibility for federal funding. We are very appreciative of that. We encourage the continuation of these programs and further applaud Congress's action to include 600 million in the fiscal year 2010 National Infrastructure Investment Grants. We consider this kind of funding critical. We believe that it is very well timed, and it will provide us with the flexibility to delivery deadlines in a better fashion than we were allowed under the recovery fund.

So going forward, we believe that states are going to want access to programs like this, programs that benefit intermodal, multimodal, and freight projects, and we certainly urge your support in continuing to fund these kinds of long-term projects so that they have predictable funding streams, quite frankly.

Traditional private investment previously has had little public input, but we believe that these new programs are providing incentives for the business community to coordinate goals and projects within state and local governments. We are involved in our statewide freight plan. We are involved in many coalitions along the northeast corridor to make sure that we are part of a very viable freight network throughout the country.

So in conclusion, we would urge you to continue to fund mode neutral programs like the TIGER program, the projects of national regional significance, and the national infrastructure investment.

And I want to thank you very much for the opportunity to be here today to talk about this.

[The information follows:]

Testimony of

Beverley Swaim-Staley

Secretary, Maryland Department of Transportation
Regarding

Strengthening Intermodal Connections and Improving Freight Mobility

United States House Appropriations Transportation Housing and Urban Development Subcommittee
March 16th 2010

Good morning. Chairman Olver, Ranking Member Latham, members of the Subcommittee, I am Beverley Swaim-Staley, Secretary of the Maryland Department of Transportation (MDOT). Thank you for the opportunity to provide this testimony on behalf of the State of Maryland and speak to an issue of importance to the public sector. I am here to address intermodal freight planning and investment critical to efficient goods movement in the Washington/Baltimore metropolitan region, along multistate freight corridors including I-95 and the CSX National Gateway, and throughout the United States.

Historic Focus on Intermodal Connections and Freight Mobility

The Maryland Department of Transportation is a multimodal agency. For over 35 years, MDOT's jurisdiction has encompassed capital investment and operations in the port, airport, highway, transit and rail modes. This structure and authority afford us wide-ranging engagement across the supply chain to ensure benefits for our citizens – whether they are the supplier, carrier, or the ultimate customer. Our freight involvement extends to the management of our state-owned short line railroad, serving the vital needs of agricultural customers on the Eastern Shore, the Port of Baltimore, Baltimore/Washington International (BWI) Thurgood Marshall Airport, MARC commuter rail and our interstates, and other roadways.

As you are no doubt aware, growth in the international and domestic marketplace is constrained by a capacity crisis for traditional freight pathways. Maryland, like other states, is working across modes and borders to meet the demand and alleviate congestion in all modes. In recent years, our focus has expanded to include mega-projects and regional corridors to handle large-scale freight movement. This orientation is prominent in our strategic objectives and comprehensive transportation plans.

Fortunately, Maryland's state funding and organizational structure provide a flexible environment to plan and fund intermodal and freight mobility improvements. MDOT has a dedicated, mode-neutral funding source. Our Transportation Trust Fund (TTF) is a pooled fund, supported by motor vehicle excise taxes and vehicle fees, fuel tax revenues and a portion of the state sales and corporate income taxes. None of these revenue streams is tied directly to a stove piped program or project. Using this flexible fund, we can and do apply state funding to intermodal passenger and freight projects.

In addition to my role as Secretary, I serve as Chairman of the Maryland the Transportation Authority ("Authority"). This statutory requirement and the Authority's independent financial structure allow MDOT and the Authority to coordinate efforts and have the Authority finance, construct and operate toll projects within the State.

Maryland's location is also a key factor in our intermodal and mega-regional involvement. We are linked with other states by the busy I-95 corridor and freight-intensive I-81 corridor, and connected to other destinations by the Port of Baltimore - the closest seaport to Washington D.C. and to major Midwestern population and manufacturing centers. To maximize this strategic location for national benefit, MDOT is partnering with local governments, neighboring states and the private sector to plan and implement needed improvements, especially in rail.

As you may know, Maryland is the birthplace of rail in America. This historic accomplishment has one disadvantage – our first-of-its kind infrastructure now the oldest tunnels, bridges and track in the nation. Located along colonial-era distribution pathways and built to 1870's standards, these facilities have significant capacity and clearance limitations that preclude access by industry-standard double-stacked containers to the Port. Addressing this impediment is a high priority for Maryland and the region. We are employing innovative mechanisms and partnerships and seeking federal funding to remove these physical barriers.

Developed creative partnerships and funding mechanisms, in several major projects:

Where federal funding is unavailable, limited in eligibility or incomplete, other public-private and regional partnerships are key options to advance projects. MDOT has developed creative public-private partnerships and funding mechanisms in at least three major areas – the port, Transit Oriented Development (TOD), and rail/truck intermodal.

Last December, Governor Martin O'Malley announced a successful Public Private Partnership (P3) at the Port of Baltimore to accommodate post-Panamax ships. Our private partner has already begun improvements to the facility under a the new 50-year lease agreement with Ports America to develop and operate the 200-acre Seagirt Marine Terminal. The potential value of the agreement is more than $1.3 billion and includes such public benefits as:

- Creation of 5,700 direct jobs in Maryland;
- Funding for $140 million in highway improvements to enhance intermodal connectivity between highways, rail and the Port;
- Construction of a 50-foot berth and capital investments over the life of the agreement;
- Generation of approximately $15.7 million annually in state taxes;
- Provision of an annual revenue stream of $3.2 million in fixed rent; and
- An additional container fee that applies under high-growth scenarios.

With respect to Transit Oriented Development, we have undertaken legislative initiatives and committed financial and real estate resources to facilitate at least twelve TOD projects along our major rail corridors. These sites are located on shared freight and commuter lines and in areas growing rapidly due to U.S. military base realignment. These projects will benefit from expanded capacity and other efficiencies on the rail corridors.

The third critical area of need and investment is a Public-Private Partnership related to the CSX Transportation's National Gateway Initiative. The initiative is supported by six states (Ohio, Pennsylvania, West Virginia, Maryland, Virginia, North Carolina) and the District of Columbia. In Maryland, Gateway will allow for double stack clearances on the main lines, improve our port/rail connections to the Midwest, and create a new intermodal container facility in central Maryland. Doublestack is the industry standard for intermodal rail transportation. All this will generate new jobs and provide domestic and international freight customers more competitive service in the global economy.

Double-stack clearance projects in this multistate corridor recently received partial funding from a large grant under the United States Department of Transportation (USDOT) Transportation Investment Generating Economic Recovery (TIGER) program. The initiative is an $826 million project cost-shared by the federal and state governments, the railroad, and the other industry.

We were pleased that Congress saw the need to create TIGER and that the Obama Administration recognized the benefits of the Gateway initiative by awarding $98 million to three states in the first phase of the project. Unfortunately, that is just shy of the amount needed to finish a project on the West Virginia/Maryland line that will clear the route from Ohio to Pennsylvania. Despite considerable matching funds on the table from CSX and the coalition of states, this grant does not extend the federal investment far enough to move freight from the Port of Baltimore or to serve domestic markets in the Baltimore-Washington region.

While the lack of funding for Maryland is disappointing, we recognize the magnitude of the needs expressed in the universe of TIGER applications and appreciate this first major step in federal investment. We are hopeful that the federal government will, in time, provide additional funding to complete these vital corridor-based investments, including construction of a new intermodal facility/inland port in Maryland. These investments promise to give a permanent and long-term boost to the national economy.

The economic benefits to Maryland alone with a clearance-free gateway to provide double-stack intermodal freight mobility to the Midwest are substantial, with such public benefits as:

- Creation of nearly 10,000 jobs;
- $2.36 billion in direct and related economic impact from a new intermodal facility,
- Reduction of CO_2 emissions by more than 1.3 million tons;
- Provision of Class I intermodal service to the area's eight million underserved but active consumers; and
- A threefold increase in market access for the Port of Baltimore.

Future Needs for Freight Mobility and Intermodal Connectivity - Both Government and Private Investment are needed

Over the past year, Congress made significant investments into new programs aimed at supporting intermodal and freight projects such as the aforementioned $1.5 billion for the TIGER grant program. This gave states the ability to consider large-scale, big-ticket, and multi-modal projects. Further, the $8 billion High-Speed and Intercity Passenger Rail (HSIPR) initiative and the possibility of future funding provides indirect freight benefits by reducing highway and air congestion and through improvements to system reliability and safety.

Maryland is also pleased to be the recipient of $69.4 million in federal funding for the Baltimore and Potomac (B&P) Tunnel and BWI Amtrak Station to conduct preliminary engineering and NEPA work. However, these projects will require significant future federal funds to construct – perhaps a billion in federal funding to complete a new tunnel that will ensure the next century of passenger rail service on the Northeast Corridor. Over $100 million in mixed-source funding will be needed to complete the track, station and safety improvements near BWI that will yield speed, capacity, frequency, and reliability benefits for the Northeast Corridor, Maryland commuter rail (MARC) transit riders and aviation passengers.

We encourage the continuation of these programs and further applaud Congress's action to include $600 million in FY 2010 National Infrastructure Investment (NII) grants. We consider this a critical opportunity, well-timed and with more flexibility in delivery deadlines than the recovery funds. We intend to seek funds in this program to advance the intermodal rail facility that will serve as an inland port in the highly congested road and rail Baltimore-Washington corridor.

In addition to providing a predictable funding stream for these programs, Maryland also encourages Congress to expand funding eligibility in other federal programs for multi-modal projects. We recently ran into hurdles when trying to fund projects on Amtrak corridors with freight and commuter service – the HSIPR program as implemented is shutting out projects with multi-modal benefits if the project does not predominantly benefit passenger rail. We believe the NII funding can help these types of projects advance, as would other programs that reward multi-modal regional benefits.

The implementation of the programs and projects may also require fine-tuning. For example, states will look to the federal government for help in managing complex projects with multiple players and diverse funding sources, much like the Eastern Federal Lands program has done in the past. There are, however, challenges associated with multiple federal agency involvement – figuring out which NEPA process is applicable in a corridor project with transit, rail and highway impacts is a challenge we are already working on with USDOT.

Both the CSX Intermodal facility and the Amtrak and Norfolk Southern rail service northeast of Baltimore are examples of the challenges we face. Amtrak's busiest service route between New York and Washington goes through Baltimore, but so do Norfolk Southern freight trains. Freight trains headed to Maryland and Delaware ports may only operate on this route during nighttime hours. A six-mile stretch of right-of way along Amtrak's NEC just north of Perryville, MD, contains only two tracks—yet is used continually by Amtrak and MARC Commuter and the Norfolk Southern freight trains to Delaware and Maryland's Eastern Shore.

This inefficiency also constrains service to our cities and rural customers with rail-dependent industries. By adding this third track, locally named the Chesapeake Connector, it could provide NS an access route to traverse Amtrak on a daily 24 X 7 basis without impeding current passenger trains and eventually allow for expanded commuter rail service. Due to Amtrak ownership and the complexity of users this project does not have a good matching federal program in which to request funding. It was rejected as having only 'indirect' benefits to Amtrak in the recently awarded High Speed Rail grants by the Federal Railroad Administration (FRA).

While the TIGER program contained more flexible program criteria, USDOT's ability to meet Maryland's needs was limited. Maryland also supported two additional projects in the TIGER program that had freight benefits. First, the $45 million MARC Capacity and Service Reliability Improvement project would have funded track improvements and electronic signal upgrades that will allow MARC trains and CSX freight trains to coexist and operate more efficiently on the CSX owned Camden and Brunswick lines. This initiative is a joint effort between the Maryland Transit Administration and CSX and comprises a cost effective initial stage of the MARC Growth and Investment Plan. The second project was a $12 million rehabilitation of the Maryland and Delaware Railroad (MDDE) Snow Hill freight line. This project was sponsored by Worcester County (one of Maryland's seven economically distressed areas) and would have upgraded the Eastern Shore freight rail line between Frankford, DE, and Snow Hill, MD. This line now handles only 263,000 pound rail cars and the upgrade would allow accommodation of rail cars weighing 286,000 pounds and protect 1,500 jobs related to the region's poultry industry.

Traditional federal funding streams discourage intermodal planning and traditional private investment has previously come with little public input. These new federal funding programs provide an incentive to the business community to coordinate goals and projects with state and local government. These relationships will yield smarter infrastructure development. Maryland and the mega-regions would benefit greatly from continued and increased federal support to further efforts and accomplish the mega-projects and corridor improvements.

While we understand that not enough funding is available to address all of our requests, we believe the projects with intermodal benefits need to be developed under a scenario where they could better qualify for funding. Maryland and many other states are developing the necessary plans and preparations for future opportunities, and we are optimistic about the future direction of the Administration and Congress to improve in freight, and particularly rail intermodal connection improvements. We also appreciate the new focus on state capabilities to plan and to prioritize with stakeholder input, which has put us in the driver's seat in applying for federal funding.

Maryland's progress toward stronger connections and multi-modal freight improvement

In September 2009, MDOT released a Statewide Freight Plan, our first and also the first in the nation to prioritize projects using a set of criteria such as connectivity and mobility improvements, as well as Land Use, or Smart Growth, indicators[1]. The State established internal and external advisory committees whose members provided guidance on policies and prioritization and developed the list of projects for the freight Plan. This information –

1 http://www.mdot.maryland.gov/Planning/Freight%20Planning/Update/Statewide%20Freight%20Plan%202009.pdf

sharing and collaborative input strengthened the utility of the Plan and further developed existing relationships among public and private stakeholders. Significantly, it also validates the need and support for future federal funding requests.

MDOT also participates in farther-reaching regional coalitions such as the I-95 Corridor Coalition, a new I-81 corridor coalition, the Coalition of Northeastern Governors to tie our state efforts to a larger context and develop ideas to advance connectivity and mobility.

One product of these cooperative efforts was the Mid-Atlantic Rail Operations Study (MAROps) of the I-95 Corridor Coalition. The final report released last year recommended $12 billion in rail capacity improvement projects in a five-state region. When chokepoints are eliminated, increased rail capacity will stimulate growth and accommodate a major shift from long-haul trucking to more energy-efficient freight rail. The region could then realize an annual increase of $1.3 billion in business output and 9,800 more jobs. The MAROps study confirms the need for national support for major rail improvement projects, especially extremely complicated, multi-billion dollar projects including Baltimore's passenger and freight rail tunnels.

These investments benefit the regional and national economy and the environment. Further, they can be made in areas where additional highway and bridge capacity is too expensive or Right of Way is no longer available.

While states and private freight companies can address many smaller projects on their own or with existing federal formula and loan programs, ongoing and permanent commitment from the federal government is necessary to initiate and complete major projects. We hope to obtain federal funding to help build solutions that will allow the East Coast to handle the tremendous growth in freight anticipated over the next few decades. These investments can also have multimodal benefits. In Maryland, the benefits of passenger or freight projects are often shared among intercity passenger, commuter and freight rail.

We urge you to continue to fund mode-neutral programs like TIGER, Projects of National and Regional Significance, and National Infrastructure Investment, and to retain the practice of giving the states the ultimate authority to seek these investments. Intermodal and freight connectivity projects must be part of the balanced, flexible and multimodal transportation system our nation needs to compete in a 21st century global economy.

Thank you for your attention to this subject of great importance to us all.

Mr. OLVER. Thank you. Mr. Wolfe.

MR. WOLFE'S OPENING REMARKS

Mr. WOLFE. Thank you, Mr. Chairman and members of the subcommittee. I want to thank you for this opportunity to testify before you today on strengthening intermodal connections and improving freight mobility.

I would like to talk to you about some of the most important tools we have for keeping our nation's economy strong and keeping U.S. companies successful competitors in the global marketplace. U.S. seaports are the gateways for the import and export of 7.8 billion tons of cargo annually. This trade activity helps our nation's ports provide high-paying jobs through public-private partnerships, and generate billions of dollars in business income and spending annually.

I am proud of the innovations at the port of Tacoma that have brought freight movement. Back in 1981, we built the first on-dock intermodal rail yard on the west coast, a pioneering development that helped our shipper save time and money by transferring containers directly between ship and train. About 60 percent of the containers transiting our port travel by rail to the American heartland, almost all of them loaded on dock directly from ships.

The port of Tacoma and the port of Seattle, 40 miles to our north, together represent the third largest container load center in North America. We also handle large volumes of agricultural products and break-bulk cargoes. In addition, the port of Tacoma is a strategic military port. Both ports realize the importance of keeping cargo moving efficiently and cost-effectively through the Puget Sound region, or that cargo will flow through other port gateways.

In 1996, that concern for transportation efficiency led ports, cities, counties, Washington state DOT, railroads, trucking interests, and our Regional Metropolitan Planning Organization to create the FAST corridor project, the identification of 25 grade crossing and port access projects in the Puget Sound region, half of which are now completed, to reduce congestion impacts from freight movement.

This initiative showed what major partnerships and major investments, almost half a billion dollars, can accomplish. One of those FAST corridor projects critical to the port of Tacoma is the extension of SR–167, the home of one-third of our region's distribution and storage facilities into our port. The SR–167 project is the type of project that can greatly benefit from programs like the TIGER program, which use merit-based criteria to fund large, nationally significant projects, with special emphasis on freight mobility.

Under TIGER, for the first time, ports were able to apply directly for this type of federal funds. By one analysis, 22 of the 51 projects recently awarded TIGER grants contain a strong freight component, and those 22 projects receive 49 percent of the total funds. They still had to compete, however, against transit and other nonfreight projects. We think that a better long-term solution would be to create a federal funding program similar to TIGER, but a program that is completely dedicated to freight mobility.

A remarkable consensus has developed within the freight industry on what kind of federal freight program this country needs. Such a program should mandate the creation of a national multimodal freight strategic plan, provide dedicated funds for freight mobility projects distributed through a competitive grant process using objective merit-based criteria, permit ports to apply directly for these funds, and establish a multimodal grade office at USDOT under the Undersecretary for Intermodalism.

Mr. Chairman, I would like to also single out two recent freight-related initiatives of the Obama administration for special praise. First, the effort by the International Trade Administration and the Department of Commerce, in cooperation with other federal agencies and the private sector, to draw attention to the need for a national freight policy and a 21st century supply-chain infrastructure; and second, the administration's national export initiative to create 2 million jobs by doubling U.S. exports over the next five years.

I want to emphasize, however, that if this initiative is to be successful, we will need to make major strategic investments in freight transportation infrastructure, for example, intermodal connections at our ports to handle these trade volumes more efficiently.

Last, but by no means least, Mr. Chairman, I also need to mention the longstanding concern of the Pacific Northwest ports about the problem of cargo diversion to Canadian ports. Today, we are in a tense competition with the port of Vancouver, and especially the port of Prince Rupert in British Columbia. They are currently winning that competition because of the strong partnership among the national, provincial, and regional governments of Canada, known as the Asia-Pacific Gateway Strategy.

This national strategy includes a $3 billion investment in the gateway program by the Canadian government, the largest infrastructure project in British Columbia history. As you know, we do not have anything comparable in terms of a national strategy for the United States. If we were to ask the federal government to do one thing, it would be to develop such a strategy for the U.S., and to work with our public ports and others to make the targeted investments needed to implement it. Thank you.

[The information follows:]

Testimony of

John Wolfe

Executive Director, Port of Tacoma

Before the House Transportation-Housing Appropriations

Subcommittee Hearing on

"Strengthening Intermodal Connections and Improving Freight Mobility"

March 16, 2010

Mr. Chairman and Members of the Subcommittee, I appreciate the opportunity to testify before you today on "strengthening intermodal connections and improving freight mobility". But I want to put my comments in a larger context than using port and transportation buzzwords like "intermodal" and "freight mobility." What I really want to talk about are some of the most important tools we have for keeping our nation's economy strong, and keeping U.S. companies successful in competing in the global marketplace. If we can work together to address the challenges we face today in these key areas, our ports, and our nation's economy will be successful. And if we cannot, we will fail.

You have chosen a very important and timely issue for this hearing. Freight mobility concerns are clearly national in scope and they deserve the close attention of the federal government.

You will hear a lot today about the challenges facing freight movement. USDOT estimates that by 2035, the volume of freight shipped on the U.S. intermodal transportation system will increase by almost 50 percent. Meanwhile, congestion worsens every year---the Texas Transportation Institute concluded that congestion cost our country $78.2 billion in 2005 in wasted fuel and time. As our nation's energy and environmental concerns continue to grow, we need to find creative ways to improve the efficiency of freight movement.

U.S. seaports are the gateways for the import and export of 7.8 billion tons of cargo annually. From your morning coffee to the shoes on your feet, many items you use everyday were imported through a U.S. port. In addition to being gateways for imported goods, ports also play an important role in helping U.S. companies and American-made products go global. For example, at the Port of Tacoma, we handle John Deere tractors and Caterpillar equipment. In fact, more than 75 percent of Caterpillar equipment is sold to international markets. We also handle more than 5 million tons of corn and soybean that comes to Tacoma from the Midwest on rail, and is exported to various Pacific Rim countries.

All of this trade activity helps our nation's ports create and sustain high-paying jobs through public-private partnerships and generate billions of dollars in business income and spending annually.

I am proud of the innovations that the Port of Tacoma has brought to freight movement. Back in 1981, we built the first on-dock intermodal rail yard on the West Coast, a pioneering development that literally helped our shippers save time and money. This intermodal connection made it possible for containers to be transferred directly between ships and trains, instead of having to be trucked or "drayed" by rubber-tired vehicles between ships and trains. On-dock intermodal rail connections are not only more efficient; they also reduce harmful air emissions. Approximately seventy percent of the containers transiting our Port travel by rail to the American heartland, almost all of them loaded on-dock directly from ships.

The Port of Tacoma and the Port of Seattle--forty miles to our north--together represent the third-largest container load center in North America with almost 4 million TEUs (twenty-foot equivalency units) of container traffic annually. We also handle large volumes of agricultural products and breakbulk cargo. In addition, the Port of Tacoma is a strategic military port. Both ports realize the importance of keeping cargo moving efficiently and cost-effectively through the Puget Sound region. Simply put, if we cannot provide efficient, cost-effective intermodal connections and service, the cargo will flow through other port gateways—such as Canada. In the future, we will also be seeing additional competitive pressures due to new ports in Mexico and the expansion of the Panama Canal.

In 1996, that concern for transportation efficiency led ports, cities, counties, Washington State DOT, railroads, trucking interests and our regional Metropolitan Planning Organization to create the Freight Action for the Seattle-Tacoma (FAST) Corridor project---the identification of 25 grade-crossing and port-access projects in the Puget Sound region, half of which are now completed, to reduce congestion impacts from freight movements. These projects have been funded through contributions from all the FAST Corridor members and the federal government. This initiative showed what major partnerships, and major investments—almost half a billion dollars—can accomplish. These projects have helped keep cargo on the move throughout Puget Sound, and helped keep cargoes and jobs in our region. On the export side, these FAST Corridor projects helped move Washington state apples and Idaho French fries to export markets in the Pacific Rim faster and more cost-effectively.

The CREATE project in Chicago is very similar to the FAST Corridor project and we strongly support federal funding for CREATE. You may wonder why we would endorse a project 1700 miles away. As I mentioned, 70 percent of our cargo travels to and from the Midwest and beyond; while it takes a full day for that cargo to get to Chicago, it takes just as long - another 24 hours – for it to move *through* Chicago. CREATE will help fix that bottleneck.

One of those FAST Corridor projects critical to the Port of Tacoma is the extension of SR 167, the home of one-third of our region's distribution and storage facilities, into our Port. This project is both a "first mile" intermodal connector and a freight mega-project because of its total project cost of $2 billion. Its construction will help our region's freight volumes grow without increasing congestion in our region.

The SR 167 project is the type of project that can greatly benefit from programs like the TIGER program---a federal discretionary program created by the 2009 American Recovery and Reinvestment Act that used merit-based criteria to fund large, nationally-significant projects, with a special emphasis on freight mobility. Under TIGER, for the first time, ports were able to apply directly for this type of federal funds. By one analysis, 22 of the 51 projects recently awarded TIGER grants contained a strong freight component and those 22 projects received 49 percent of the total funds. They still had to compete, however, against transit and other non-freight projects.

We think that a better long-term solution would be to create a federal funding program similar to TIGER, but a program that is completely dedicated to freight mobility. A remarkable consensus has developed within the freight industry on what kind of federal freight program this country needs. The Port of Tacoma is a member of the Coalition for America's Gateways and Trade Corridors (CAGTC), which consists of state DOT's, railroads, manufacturers, importers, and exporters, as well as active members in the American Association of Port Authorities, which represents public ports throughout the United States. Those two organizations, plus 15 other freight-related organizations, some of them on this panel, are members of the Freight Stakeholders Coalition, which has articulated a common set of principles on a federal freight program that we all endorse:

- ***Mandate the creation of a National Multimodal Freight Strategic Plan***, led by USDOT in partnership with state DOTs and other freight stakeholders.
- ***Provide dedicated funds for freight mobility projects***, with high priority given to investments on the most important freight corridors.
- ***If a new freight trust fund is created (and the Port of Tacoma thinks it should be created), it should be firewalled with the funds fully spent on projects that facilitate freight transportation*** and the funds should be distributed through a ***competitive grant process using objective, merit-based criteria***. Projects that are funded under this program should also be eligible for other federal, state and local funding sources.
- ***Establish a multi-modal freight office within the Office of the Secretary***, headed by an Undersecretary.
- ***Form a national freight industry advisory group to provide industry input to USDOT***, including input from ports.

Obviously, the common theme here is a true, holistic focus by the federal government on the movement of freight, as opposed to a piecemeal system of investments.

I would also like to single out two recent freight-related initiatives of the Obama Administration for special praise:

First, the International Trade Administration in the Department of Commerce has led an effort, in cooperation with other federal agencies and the private sector, to draw attention to the need for a national freight policy and a 21st Century supply-chain infrastructure. The Port of Tacoma has participated in their work and we applaud this effort to show that freight mobility is not just a "transportation" issue; it is also a "commerce" issue, critical to our nation's economic competitiveness.

Second, we greatly appreciate the Administration's National Export Initiative (NEI) to create two million jobs by doubling U.S. exports over the next five years. The World Bank estimates that $40 of additional exports are generated for every $1 spent on export promotion, so this effort could be has the potential for a key role in our nation's economic recovery. Bringing more import-export balance to our international trade isn't just good for our balance of payments and our domestic employment picture; it will also bring more rationality to our logistics system. I want to emphasize, however, that if this NEI is successful, we will need to make very major, and very strategic, investments in freight transportation infrastructure---for example, intermodal connections at our ports---to handle these trade volumes more efficiently. Our nation cannot create more jobs through more exports, if our nation's road and rail connections, and our nation's ports, don't have the capacity to efficiently handle more cargo on an efficient, cost-competitive basis.

Last, but by no means least, Mr. Chairman, I also need to mention the long-standing concern of Pacific Northwest ports about the problem of cargo diversion to Canadian ports. Today, we are in intense competition with the Port of Vancouver, and especially the Port of Prince Rupert in British Columbia. Their cargo volumes are growing, at the expense of the cargo volumes in Tacoma and Seattle. One of the reasons for their success is their strategic focus on improving their infrastructure. They are currently winning that competition because of the strong partnership between the national, provincial and regional governments of Canada known as the "Asia Pacific Gateway Strategy". This national strategy provides, and I quote directly from their materials, "a framework for policies, investments and initiatives that seek to make Canada the most competitive exit and entry point in North America". Specific investments include $3-billion into the Gateway Program, the largest infrastructure project in British Columbia's history, to help expedite the intermodal movement of goods – by truck, train, airplane and ship – and encourage Asian importers to choose British Columbia as their North American transportation hub. This strategy has resulted in the investment of $30-million into the Port of Prince Rupert, and is proposing an additional $650-million into a Phase II expansion, which will quadruple Prince Rupert's capacity to two million TEU's – making it the same size as the Ports of Tacoma and Seattle. On the other side of the country, the province of Novia Scotia is promoting an Atlantic Gateway concept that, and I quote again, "seeks to take advantage of constraints at West Coast ports in North America and ports in the U.S. Northeast". As you know, we don't have anything comparable in terms of a national strategy for the United States. If we were to ask you to do one thing, it would be to develop such a strategy for the U.S. and work with our public ports and state DOT's to make the targeted investments needed to implement it.

Thank you.

Mr. OLVER. Thank you, Mr. Wolfe. Mr. Timmons.

MR. TIMMONS' OPENING REMARKS

Mr. TIMMONS. Mr. Chairman and members of the committee, I appreciate the opportunity to testify in my capacity as the president of the American Short Line and Regional Railroad Association this afternoon.

The short line railroad industry is not the largest segment of our transportation system. Indeed, we may be the smallest. But for large areas of the country, short lines are the only connection to the national railroad network. There are 550 short lines operating in 49 states. Every member of this subcommittee except one represents a short line railroad, and I can assure you we are working hard to acquire a short line in Representative Pastor's district as quickly as possible.

State DOTs recognize that short lines provide congestion reduction benefits while reducing highway pavement damage costs. For example, the Kansas Department of Transportation found that the diversion of rail traffic from Kansas short lines to trucks would cost the state over $50 million in pavement damage costs each year.

Railroads in general and short lines in particular are exceptionally capital-intensive industries. These small businesses reinvest nearly 30 percent of their gross revenues in repairing and upgrading their infrastructure, more than other industry in the country.

With the passage of the Railroad Safety Improvement Act in 2008, the regulatory compliance costs for short lines have skyrocketed. Twenty-six separate regulations are in the works. These regulations will create serious financial burdens for small railroads. And I have no doubt that several short lines will cease operations in the next two years because their resources will just not be sufficient to meet this burden.

Foremost among these costs for both the seven large class one railroads and some short lines is the requirement to install positive train control systems under certain conditions. The Federal Railroad Administration estimates that the positive train control mandate will cost approximately $14 billion over the next 20 years, diverting critical funds from other necessary and more important effective safety and infrastructure improvements.

It is quite possible, however, that a solution to the PTC issues may be found outside the appropriations process. One proposal would provide a tax credit for PTC improvements. The ASLRRA endorses this concept, absent a tax credit that Congress should seriously consider appropriating funding to assist railroads in deploying this new technology.

While the financial burdens of regulatory changes have mounted, the public benefits of rail have gone largely unnoticed in federal planning and funding. This committee is to be commended for three recent actions to reverse this trend. First, it has provided funding for the rail relocation program to allow local governments to mitigate the effects of rail traffic on safety, motor vehicle traffic, quality of life, and economic development. We commend this action, and believe that this program could create dramatic improvements to freight mobility if it were funded at its authorized level of $350 million annually.

Second, the committee is to be commended for 20 million in support in 2009 of rail infrastructure damaged in serious Midwest flooding. We hope that awarded funding not yet dispersed can quickly be released to allow the disaster recovery process to continue.

Third, state DOTs recognized where a dollar of railroad improvements can generate benefits in excess of a dollar spent on highways. The American Recovery and Reinvestment Act of 2009 specifically allowed state DOTs to use federal high way dollars for passenger and freight rail transportation and port infrastructure projects. Many states made funding available for freight rail projects deemed in the public interest. We urge the committee to grant the same flexibility previously provided in the ARRA whenever general fund resources are appropriated for future transportation purposes.

These three actions by this committee are steps in the right direction. However, they do not offset the significant new financial burdens that are created by the regulatory provisions of the Rail Safety Improvement Act, the most sweeping regulatory regime in railroad history.

Let me just briefly touch on additional actions we hope the committee will consider. An effort has been afoot to use appropriation riders to waive federal weight limits on trucks. Diversion of truck traffic from short lines to heavy trucks adds to congestion and damages bridges and highway infrastructure, as well as posing serious safety concerns on our highways. We respectfully request that the committee refrain from increasing truck weights in appropriations bills.

The Railroad Rehabilitation and Improvement Financing Program, or RRIF, provides federal infrastructure loans that must be paid back in full and do not require annual appropriation. I am proud to say that in the 12–year history of this program, not a single short line has missed a single quarterly debt payment.

We have discussed in the past and continue to support the concept of lowering the interest rate on RRIF loans as a way to increase the use of this program. The RRIF statute provides that such a subsidy can be covered through federal appropriation, and we urge you to do so. For a relatively modest subsidy, the government would be leveraging substantial additional private investment and railroad infrastructure for a program that has a perfect record with regard to loan repayment.

Now petitioners who appear before this committee, me included, are seeking additional federal funding for their own policy interests. I encourage you to take note of the burden that the staff of the Federal Railroad Administration has been placed under the past year, and to appropriate sufficient resources to allow the FAR to advance its ever-expanding mission. The rapid growth in passenger rail spending combined with the implementation of sweeping rail safety laws threatens to overwhelm a hardworking core of federal railroad experts.

Mr. Chairman, I thank you and the committee for the opportunity to present the industry's views on these matters, and will be happy to answer any questions at the appropriate time. Thank you, sir.

[The information follows:]

WRITTEN STATEMENT OF

RICHARD F. TIMMONS, PRESIDENT

AMERICAN SHORT LINE AND REGIONAL RAILROAD ASSOCIATION

BEFORE THE

U.S. HOUSE OF REPRESENTATIVES

APPROPRIATIONS SUBCOMMITTEE ON TRANSPORTATION, HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES

REGARDING

"STRENGTHENING INTERMODAL CONNECTIONS AND IMPROVING FREIGHT MOBILITY"

MARCH 16, 2010

Richard F. Timmons
President
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I. The Scope and Growth of Small Freight Railroads

Mr. Chairman and Members of the Committee, I appreciate the opportunity to testify today on behalf of the U.S. short line railroad industry in my capacity as President of the American Short Line and Regional Railroad Association.

The short line industry is not the largest segment of our national transportation system; indeed, in market share and annual revenues we may be among the smallest. Our importance is not our size or our total market share but in who and where we serve. For large areas of the country both in major metropolitan areas and in small town America short line rail service is the only connection to the national railroad network. For the small businesses and farmers in those areas, our ability to a take a 25-car train 75 miles to the nearest interchange connection with a large Class I railroad is just as important as the Class I's ability to attach that traffic to a 100-car train and move it across the country.

There have always been short lines, but today's short lines are far different from the short lines of the past. They come in all shapes and sizes, some privately owned, some government owned, some traded on the national stock exchanges. Some are members of rail holding companies, some are large regional entities, some are small family owned businesses. Together they represent a diverse, dynamic and entrepreneurial collection of small businesses that have moved well beyond the traditional short lines of America's railroad lore. These are agile companies who have invested in modern equipment and new technologies. They employ a skilled, productive workforce, and offer them a good quality of living with emphasis on training them to be as safe as possible.

Today's short line industry was launched by the federal government's decision in the 1980's to alter policy to save light density branch lines instead of abandoning them. Short lines have grown from 8,000 miles of track in 1980 to nearly 50,000 miles today. There are over 550 short lines operating in 49 states. In five states short lines operate 100 percent of the state's rail network. In 10 states they operate more than 50 percent of the railroad network and in 30 states at least one quarter of the rail network. In the Chairman's home state of Massachusetts short lines operate 74% percent of the state's total network. In the Ranking Member's home state of Iowa, short lines operate 34% percent of the state's total railroad network. Every member of this subcommittee save one represents a short line railroad, and I can assure you we are working to acquire a short line in Rep. Pastor's district as quickly as possible.

The long-term success of short lines is directly related to sustained economic growth, to investment in infrastructure improvements, and to our capacity to adapt quickly to changing conditions in the marketplace. Change is always challenging, and it is particularly challenging in today's very difficult economic climate. It is our responsibility to understand and adapt to that change. Our customers expect short lines to meet this challenge by moving freight consistently, efficiently, safely and at competitive rates. This is important if the railroad system is to handle the large freight increases expected over the next 10-15 years once our economy recovers.

II. Strengthening Intermodal Connections and Improving Freight Mobility

Short lines not only play a critical role in improving freight mobility for railroad customers, but railroads also play a critical role in preserving and strengthening freight mobility for America's highway users as well. In recent years, state Departments of Transportation have recognized that a strong short line rail network provides tremendous congestion reduction benefits while reducing highway pavement damage costs.

The diverse traffic base of short lines is focused on bulk goods that form the foundation of industry and agriculture. Over 70 percent of short line traffic is composed of coal, food and agricultural goods, steel and metals, paper and forest products, chemical, minerals and ores, and automotive goods. Transporting these heavy bulk goods by rail creates dramatic savings for state and federal highway expenditures, and reduces the pressure on this subcommittee to fund major highway and bridge improvements.

The Kansas Department of Transportation conducted two illuminating studies that asked, "What would happen to roads and highways if traffic moved by road instead of rail?"[1] These studies found that if four of the eight short line railroads serving Kansas grain shippers were abandoned, the resulting diversion of grain traffic to trucks would cost the state of Kansas over $50 million annually in additional pavement damage costs.

Each carload of traffic handled by a short line railroad is equivalent to 3-4 truckloads. A 40-care train equates to at least 120 truckloads and moving that freight by highway would result in roadway damage equal to the traffic of more than 1 million automobiles. In 2008, the roughly 10 million carloads of divertible freight handled by short line railroads would have required 28.4 million trucks to deliver, resulting in an estimated pavement damage savings of $1.2 billion dollars.[2]

I do not highlight these facts in order to cast aspersions upon truckers or highway transportation. With changes in the transportation network and development patterns over the last century many shippers are no longer located along a rail line and trucks are required to serve those customers, frequently in partnership with rail. However, the fact remains that when the opportunity presents itself to use rail transportation, significant federal and state highway cost savings can be realized.

Railroads in general and short lines in particular are exceptionally capital intensive industries that are maintained overwhelmingly by private investments made by small companies. Of the 550 short line railroads in America, 305 of them have *gross* revenues of under $5 million per year, while only 16 enjoy gross revenues in excess of $40 million. These small businesses reinvest on average nearly 30 percent of their annual gross

[1] Babock and Bunch, "Impact of Kansas Grain Transportation on Kansas Highway Damage Costs", Kan. St. Univ., Univ. of Kan., Kan. Dept. of Trans., March 2002, Report No. K-TRAN: KSU-01-5; Babcock, et al., "Economic Impacts of Railroad Abandonments on Rural Kansas Communities", Kan. St. Univ., Kan. Dept. of Trans., July 2003, Report No. KS-03-4.

[2] "Short Line and Regional Facts and Figures – 2009 Edition", ASLRRA

revenues in repairing and upgrading their infrastructure.[3] We believe this is higher than almost any other industry in the country.

III. Opportunities for Federal Support of Public Benefits of Freight Rail

With some notable and praiseworthy exceptions that I will discuss momentarily, the public benefits of freight rail transportation have gone largely unnoticed in federal transportation planning and funding. The overwhelming majority of federal transportation spending serves to create infrastructure for the benefit of our competitors, frequently at the expense of small, privately funded railroads.

It is the belief of America's small freight railroad companies that the tools currently exist in federal law to make significant improvements for the benefit of shippers and our transportation network by making modest investments in freight rail transportation. At the same time, Congress must act cautiously to avoid unnecessarily distorting the transportation marketplace by imposing undue burdens on both small and large freight railroads.

A. Support for Rail Line Relocation Program

With the passage of SAFETEA-LU in 2005 Congress created the section 20154 program for capital grants for rail line relocation projects.[4] This program allows state and local governments to receive grants for improvements to freight railroad infrastructure where those construction projects are carried out for the purpose of mitigating the adverse effects of rail traffic on safety, motor vehicle traffic flow, community quality of life, economic development, or for a lateral or vertical relocation of any portion of a rail line.[5]

This Committee has funded improvements to freight and passenger railroads under this program in each of the last three fiscal years. In additional to substantial funds for specific projects in the public interest, significant funding has been left to the discretion of the Federal Railroad Administration to administer in a competitive fashion.

America's small freight railroads commend this action by the Committee. At the same time, small freight railroads believe that this program has untapped potential, and that dramatic improvements to freight mobility could be realized if this program were funded at its authorized level of $350 million per year.

The FRA has announced that it will conduct a competition this year for $20.5 million in remaining discretionary funding appropriated from FY2008 to FY2010.[6] As local governments compete for this funding, ASLRRA members are confident that it will result in meaningful freight rail infrastructure upgrades that deliver public benefits.

[3] "Short Line and Regional Facts and Figures – 2009 Edition", ASLRRA
[4] 49 USC 20154
[5] 49 USC 20154(b)(1) and (2)
[6] http://www.fra.dot.gov/Pages/2008.shtml

B. Capital Grants for Class II and Class III Railroads

As a part of the Clean Energy Act of 2007[7], Congress authorized a program of capital grants for Class II and Class III railroads (a/k/a "short line" and "regional" railroads). This program envisions a competitive grant process at the FRA that would empower the Secretary to make grants for freight railroad improvements that facilitate railroad transportation, increase fuel efficiency, and reduce greenhouse gas emissions. Grants under the program may be made to either a railroad, or to a state or local government.

To date no funding has been appropriated for this program. Because of a lack of funding the FRA has not yet promulgated regulations to govern the program. The Congress is authorized to make appropriations of $50 million for each of the fiscal years 2008 through 2011. ASLRRA members believe that this program is an unutilized tool that could facilitate investments in areas where private financing alone cannot overcome the freight transportation challenges facing communities and rail customers.

C. Disaster Grant Funding

This Committee is to be commended for its action to support the reconstruction of critical infrastructure damaged as a result of serious flooding in 2008. When a short line bridge is washed away by flooding, repairs can quickly run into the millions of dollars. To small companies grossing only a few million dollars in annual revenue, the recovery effort required can jeopardize the financial survival of the railroad and jeopardize rail service to communities that are connected to the national rail network by damaged infrastructure.

This Committee included $20 million in disaster recovery assistance for short line railroads in the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act of 2009.[8] The FRA acted quickly and commendably to award this funding on a competitive basis to state Departments of Transportation to aid railroads that had incurred significant financial hardships while restoring service.[9] ASLRRA hopes that any awarded funding not yet disbursed can quickly be released to allow the recovery of these small railroads.

D. Flexibility of General Fund Funding

As the Members of the Committee are painfully aware, the ability to fund necessary federal transportation improvements has been impeded in recent years by a shortfall in revenue in the Highway Trust Fund, and by the expiration and short term extension of the federal transportation authorization bill, SAFETEA-LU.

In an effort to avoid interruption of critical transportation work, and in an effort to stimulate the economy, Congress included infrastructure funding as a part of the

[7] Public Law No. 110-140
[8] Public Law No. 110-329
[9] http://www.fra.dot.gov/Pages/2081.shtml

American Recovery and Reinvestment Act of 2009.[10] When appropriating $27.5 billion in Federal Highway Administration funding, ARRA stipulated that funding would be available specifically for "passenger and freight rail transportation and port infrastructure projects" at the discretion of a state DOT.[11]

State DOTs are well positioned to recognize when and where a dollar spent on freight railroad improvements can generate public benefits in excess of a dollar spent on traditional highway construction. Many states took this opportunity to make funding available for public interest freight rail improvements that could not have been funded under traditional transportation programs.

For years, small railroads have been told that "trust fund money" should be spent solely on highways, even when larger public benefits can be generated from rail investments. ASLRRA would urge the Appropriations Committee to grant similar freedom to state DOTs whenever general fund resources above and beyond the highway trust fund are appropriated for transportation purposes. To do otherwise would further unfairly subsidize our highway competition at the expense of public benefits that can be generated by increased freight rail investment.

E. TRUCK SIZE AND WEIGHT ISSUES

In recent appropriation legislation an effort has been afoot to use appropriations riders to waive the federal weight limits on trucks in certain states. These provisions are usually put forth as "rifle shot" exclusions marketed as only impacting limited states, highways, or commodities. Unfortunately, these appropriations riders have the impact of not only increasing highway pavement damage costs, but also threatening the continued economic viability of small freight railroads.

Advocates for heavier trucks argue that more commodities in one truck will reduce the number of trucks on the roads. These arguments of heavy truck proponents selectively ignore the diversion from rail to truck caused by heavier trucks and the negative impacts that heavier trucks will have on short line and regional railroad traffic. A 2007 study by M.I.T. Engineering Research Affiliate Carl Martland[12] concluded that short line and regional railroad traffic would be heavily diverted to truck if sizes and weights of trucks increase. Short line railroads have a high proportion of their traffic in the categories most susceptible to diversion from rail to truck.

When that traffic is diverted from short line to truck it means millions of inefficient trucks adding to congestion and damaging bridges and highway infrastructure. ASLRRA strongly endorses Rep. McGovern's H.R. 1618 and Sen. Lautenberg's S. 779, collectively known as the Safe Highways and Infrastructure Preservation Act (SHIPA), which would preserve limits on truck size and weight. We respectfully request that the

[10] Public Law No. 111-5

[11] ARRA: "...for passenger and freight rail transportation and port infrastructure projects eligible for assistance under subsection 601(a)(8) of such title..."

[12] Maitland, "Estimating the Competitive Effects of Larger Trucks on Rail Freight Traffic", Sept. 10, 2007

Appropriations Committee refrain from increasing truck weight limits in annual appropriations bills absent Congressional action on weight limits nationwide.

F. UNFUNDED POSITIVE TRAIN CONTROL MANDATES

The recently passed Rail Safety Improvement Act[13] requires Class I and some short line railroads to install positive train control (PTC) systems on tracks that carry passengers or toxic-by-inhalation (TIH) materials[14]. Railroads are committed to complying with the Congressional mandate, but this well-intended legislation will have negative, unintended consequences. The FRA estimates that PTC will cost the railroads between $10 billion and $14 billion over 20 years, diverting funds from other necessary safety and infrastructure improvements.

Even where a short line railroad is not required to deploy PTC, the diversion of investment on connecting rail carriers can endanger that short line's continued viability. When Class I railroads divert billions of dollars from their capital programs to deploy this technology the associated reduction in track infrastructure investment will harm small railroads on the edge of the national railroad network.

In order to avoid the negative impacts of PTC deployment on intermodal connections and freight mobility, Congress should aid railroads as they work to implement this currently unfunded mandate. One proposal supported by the Association of American Railroads (AAR) would provide a tax credit for PTC improvements along the lines put forth by Rep. Meek of Florida in H.R. 1806. ASLRRA also strongly endorses this concept. Absent a tax credit solution the Congress should seriously consider appropriating funding to assist railroads in deploying this technology.

G. RAILROAD REHABILITATION AND IMPROVEMENT FINANCING LOANS

The Railroad Rehabilitation and Improvement Financing (RRIF) loan program[15] has provided another important tool in our effort to maximize rehabilitation spending. The RRIF loan program leverages substantial private investment in short line infrastructure. These are loans that must be paid back in full and do not require annual appropriations. The relatively low interest rate and the 35 year amortization are terms short lines cannot secure in the private market and the program has allowed those who have taken advantage of it to undertake projects that would have otherwise been unattainable. I am proud to say in the ten years the RRIF loan program has been on the books, not a single short line railroad has missed a single quarterly payment on its debt. In today's world we might be one of the only groups that can say that.

I call the Committee's attention to provisions of the RRIF statute that would allow appropriated support in the form of interest rate reductions that could leverage additional

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[13] Public Law No. 110-432
[14] P. L. No. 110-432 §104
[15] 45 USC 822 et seq.

infrastructure investment.[16] At today's interest rates, each dollar of appropriated support would leverage approximately $3 in RRIF loans, which would eventually be repaid by the borrowing railroad. Spending a federal dollar to leverage three additional dollars of private infrastructure investment seems to us to be a worthwhile expenditure.

H. SUPPORT FOR A STRONG AND PROFESSIONAL FRA

Most petitioners who appear before this committee, myself included, are seeking additional federal funding for their own policy interests. However, I would be remiss if I did not also encourage this committee to take note of the tremendous burden that the professional staff of the FRA has been placed under in recent years, and to appropriate sufficient resources to allow this organization to advance in its mission. The rapid growth in passenger rail spending, combined with the implementation of sweeping rail safety laws threatens to overwhelm a hard working core of federal railroad experts.

As one example, I would note that the RRIF loan program referenced above could provide a tremendous economic stimulus opportunity that does not require the appropriation of a single dollar. Of the $35 billion in loans authorized by the program, less than $1 billion in loans are outstanding. By increasing the resources of the Federal Railroad Administration necessary to analyze loans, and by marrying those resources with sufficient administrative willpower from higher echelons of the Executive Branch, the RRIF loan program could generate economic activity and economic stimulus on a large scale.

I thank the Committee for the opportunity to present my industry's view on these issues.

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[16] 45 USC 822(f)(1)

Mr. OLVER. Thank you. Mr. Johnson.

MR. JOHNSON'S OPENING REMARKS

Mr. JOHNSON. Thank you, Mr. Chairman and members of the subcommittee. My name is Wayne Johnson. I am the director of logistics for American Gypsum, out of Dallas, Texas. I have submitted a longer statement for your record, so I will keep my remarks brief at this time.

I am also representing the members of the National Industrial Transportation League, where I serve as chairman of the Highway Transportation Committee. The league is an association of companies that conduct industrial and commercial shipping throughout the United States and internationally. Founded in 1907, the organization is one of the oldest and largest associations in the country, representing more than 600 member companies involved in the transport of all kinds of freight domestically and internationally, including ocean carriers.

The American Gypsum, which I represent, sells and distributes gypsum wallboard or drywall. We have been in business for over 40 years, and we are the fifth largest gypsum company in the United States. My job is to make sure our production materials are on hand, on time, and our finished product is moved to our customers on time, every time. Ours is a very cost sensitive industry, so a continuous vigilance on holding down transportation costs is extremely important.

In our free enterprise system, we are challenged daily by the risk and competitive pressures of the marketplace. Those challenges make us better and more efficient and more productive. By ignoring the imperatives of improving our national transportation and freight system and reducing system congestion, we are imposing additional cost burdens on American industry and the American economy which we cannot recoup.

Congestion leads to inefficiency, longer transit lines, missed schedules, and production interruptions. Simply put, we need to get moving on fixing the problem. Folks in Washington have been diverted to recovering from this deep depression, which we need to do. Recovery is essential to our business. However, I and others feel that this slack in the economy has temporarily pulled a curtain over the problems of congestion and delay that had been making headlines daily when the economy was booming.

The truth is that the problems of the freight transportation system do not go away. They have picked up steam, and resumed normal and growing production and consumption cycles underlying the cause of those ills will be revealed again, except next time maybe not so small.

American is under-investing in our freight transportation system. We are not paying sufficient attention to real transportation infrastructure needs and requirements of the American economy. If we do no keep up, we will fall farther behind the competition, and competition that is global and relentless. The consequences are obvious.

Mr. Chairman, in your invitation to testify, you indicated an interest in the so-called just-in-time delivery process in American industry. Just-in-time is indeed now a fundamental core element of industrial management that has been adopted across the board of economic activity, from manufacturing to grocery stores and retail distribution. Just-in-time has its roots in postwar Japan. Japanese auto parts had relied on large stockpiles of parts and assemblies and reported onsite. This was expensive, wasteful, and inefficient. It was difficult to determine what needed to be ordered when, and there was a specific amount of capital tied in both those piles of parts waiting to be used.

Just-in-time became a revolution in our thinking about manufacturing and production and distribution. We moved from merely observing inventory in a static way to actually managing the flow of materials, supply chain management. Today, when a cashier rings up your purchase of a new flat-screen TV, a signal is sent through the retailer's supply chain that it is now time to move another one to the store floor. Another signal is then sent out through the chain to produce another TV, and a further signal is moved out to bring the parts needed to build that TV.

Unless the freight transportation system works as well as the manufacturing process on the plant floor, or the restocking process in the electronic store, we are not going to be able to flow the right part nor product at the right time, at the right price. Almost is not the same as just-in-time. It is an unacceptable standard.

In the modern concept of freight transportation, it is no longer appropriate to think in the terms of single modes of transportation. I am a director of logistics, not the company's truck person. I am charged with bringing all aspects of freight transportation together for the company in the most efficient and cost-efficient manner. American freight distribution, whether it is for manufacturing or end-product consumption is intermodal.

For example, for-assembly furniture moves from South Asia by ship to the U.S. port and is then transferred to a train or truck, or in most cases both to get to the point of sale. That process is repeated endless times for every conceivable consumer product. It is a highly complex and choreographed ballet that works well when it hands off clean, fast, and has spiraling costs when confronted with missteps in the form of choking congestion, bottlenecks, long lines, delays, and so on.

I cannot control the queue of the highway interchange nor the choking traffic that we see everyday in American urban life. That furniture retailer must restock his showroom floor in time for the promotion being advertised in the local newspaper. If the sale is on a Saturday or Sunday, it does not do much for the truck to pull into the loading dock on Tuesday.

The scope and dimensions of the intermodal transportation challenge is shaped by literally tens of thousands of transactions that span American economic—a panorama. There are millions of pick-up and transfer delivery combinations.

Among the broadly diverse membership of the league, there is a very deep concern that we are adrift. We are grateful now that we have the right insight to serve transportation authorization and the new funding to carry us through the rest of the year. Respectfully, I am urging this Congress and this administration to move with dispatch on the hard work that lies ahead to craft a long-term service transportation bill, and in doing so, use this opportunity to examine both the present and future needs of our freight transportation system in its totality.

We need to address and assure that the transportation system is working. We need to use this time to lay out the dimensions of the challenge ahead of us, and rationally discuss new means to pay for the investments we have been delaying, but now must undertake.

For the record, league members have said repeatedly they are willing to pay their fair share of the cost. We are both users and beneficiaries of our freight transportation system. Our single proviso is that whatever additional revenues, from taxes, user fees, and so forth, we are asked to pay are used for the intended purpose.

I know there are other committees in Congress that have primary jurisdiction to write the authorized legislation for transportation programs, but it is the providence of the whole Congress to make that decision. Your hearing today is helpful in that regard. As we move forward in that process, I would ask that you help change the way we think about freight transportation in the United States to begin—low-cost transportation really matters to this country. When delay, congestion, and high cost in freight transportation begins to squeeze out American products in the marketplace, we lose competitiveness, loss of jobs, and viability.

Those are not acceptable outcomes. Freight does matter. Thank you.

[The information follows:]

Before the

SUBCOMMITTEE ON TRANSPORTATION, HOUSING

AND URBAN DEVELOPMENT AND RELATED AGENCIES

COMMITTEE ON APPROPRIATIONS

UNITED STATES HOUSE OF REPRESENTATIVES

STATEMENT OF MR. WAYNE JOHNSON

on behalf of

THE NATIONAL INDUSTRIAL TRANSPORTATION LEAGUE

March 16, 2010

Mr. Chairman and Members of the Subcommittee, my name is Wayne Johnson. I am the Director of Logistics for American Gypsum in Dallas, Texas. Thank you for the opportunity to testify today on the issue of freight mobility in the United States. I am also representing the members of The National Industrial Transportation League (NITL or the League) where I serve as the Chair of our Highway Transportation Committee. The NITL is an association of companies that conduct industrial and/or commercial shipping throughout the United States and internationally. Founded in 1907, the organization is one of the oldest and largest associations in the country representing some 600 member companies involved with the transport of all kinds of freight in domestic and international commerce including ocean carriage.

American Gypsum manufactures, sells and distributes gypsum wallboard, or "drywall". We have been in business for over 40 years, and we are the fifth largest producer of gypsum wallboard in North America.

As Director of Logistics for American Gypsum, it is my job to make sure our production materials are on hand, on time, and that our finished product is moved to our customers on time every time. Ours is a very cost sensitive industry, so continuous vigilance on holding down transportation costs is extremely important to me. I have spent the majority of my professional career in the freight transportation and logistics arena.

Mr. Chairman, your hearing today is focused on a vital matter for my company, for the American economy and for the nation. In our free enterprise system, we are challenged daily by the risks and competitive pressures of the marketplace. Those challenges make us better, more efficient and more productive. But at the same time, by ignoring the imperatives of improving our national freight transportation system we are imposing additional cost burdens on American industry and the American economy. These are costs which we cannot recoup by working harder or smarter. These uncompensated costs are the result of increased congestion on our highways, in our rail yards, at intermodal connections and our ports. Transportation system congestion leads to inefficiency, longer transit times, missed schedules, production interruptions, and so on. All of these negative factors add cost to manufacturing and distribution processes, and these are costs that are exceptionally difficult to control or reduce. They make my job challenging to say the least.

Simply put, we need to get moving on fixing this problem, and we welcome your hearing as an opportunity to voice both our concerns and our ideas for designing solutions to the problem. I am well aware that the focus of Washington and the American public has been diverted to recovering from this deep recession. We need to do that, and as a representative of a major supplier of essential products for the new home and commercial building construction sector, that recovery is essential to our business. However, I and others fear that this temporary setback in our aggregate economy may have led to yet another unfortunate result that will continue to haunt us when we achieve that full recovery. In the freight transportation community there is a fear that we have taken our eye off the ball. The slack in the economy has temporarily pulled a curtain over the problems of congestion and delay that had been making headlines daily when the economy was booming.

The truth is that the problems did not go away. The chokepoints, the backups, the delays, and other indicators of a deteriorating freight transportation system that were the daily talking points of supply chain and logistics professionals around the country did abate during the recession. But as we pick up steam and resume normal and growing production and consumption cycles, the underlying causes of those ills will be revealed again.

America is under investing in our freight transportation system. We are not paying sufficient attention to the real transportation infrastructure needs and requirements of the American economy. While it is not the subject of your hearing today, I am tempted to suggest that the same is true across the spectrum of infrastructure needs of the nation. The renewal and growth of our power distribution, broadband, water and sewer, and transportation assets have not kept pace with the growth of our population and the demands being placed on those systems.

In testifying today I did not come armed with studies and data. I am certain that our colleagues at the U.S. Department of Transportation will provide the Subcommittee with plenty of both. Rather, I want to leave behind a strong and clear message that the clock is ticking on American economic competitiveness. If we don't keep up we will fall further behind the competition, a competition that is global and relentless. The consequences are obvious.

Mr. Chairman, in your invitation to testify you indicated an interest in so-called "just-in-time" delivery processes in American industry. Just-in-time is indeed now a fundamental, core element of industrial management. Indeed, it has been adapted and adopted across a broad swath of economic activity from manufacturing to grocery stores and retail distribution of every conceivable product in daily use.

Just-in-time has its roots in postwar Japan, and their auto industry is normally credited for developing this highly refined and precise production and inventory management system. With its well understood flow processes and homogeneous product, the auto plant was an excellent laboratory. Like other manufacturers, the Japanese auto plants had relied on large stockpiles of parts and sub-assemblies inventoried on site. Those large inventories were expensive, wasteful and not terribly efficient. It was difficult to determine what needed to be ordered and when, and there was a significant amount of capital tied up in those piles of parts waiting to be used.

What just-in-time became was a revolution in our thinking about manufacturing, production and distribution. We moved from merely observing inventory in a static way, to a process of actively managing the flow of materials—supply chain management. Implementing just-in-time successfully in any company rests heavily on accurate, efficient and timely signaling. A message needs to be sent that tells another party to send a bolt, a shirt, a laptop, etc., to the next link in the chain. In postwar Japan this was known as "kanban", and it relied on cards and markers. Today we have those tools and so much more with widespread use of barcodes and radar frequency identification (RFID) tags. When the cashier rings up your purchase of that new flat screen TV, a signal is sent through that retailer's supply chain that it is now time to move another one to the store floor. Another signal moves up the chain to produce another TV, and parallel signals move out to bring in the parts needed to build that next TV. And that is where we encounter the transportation element in all of this.

Unless the freight transportation system works as well as the manufacturing process on the plant floor, or the restocking process in the electronics store, we are not going to be able to flow the right part or product at the right time and at the right price. "Almost-in-time" is not the same as "just-in-time", and in fact it is an unacceptable standard. Closer to home, if we do not have our raw materials on site when we need them, then American Gypsum cannot make the required quantities of wallboard. Ours is a relatively simple process, but we are nonetheless just as reliant on the freight transportation market.

Likewise, if we don't deliver our finished product to wholesalers and end-users on time, then we have only passed the problem down the chain.

In the modern context of freight transportation it is no longer appropriate to think in terms of single modes of transportation. I am the Director of Logistics, not the company's truck person. To be sure we have people who specialize in rail, trucking, barging and so on. But I am charged with bringing all aspects of freight transportation together for the company in the most efficient and cost effective manner. American freight distribution, whether it is for manufacturing or end product consumption, is intermodal.

For example, fully assembled furniture moves from South Asia by ship to a U.S. port, and then is transferred to a train or truck (or in most cases, both) to get it to the point of sale. That process is repeated endlessly for every conceivable consumer product, from clothing to food products to consumer electronics. And the process works in both directions for both imports and American exports. It is a highly complex and choreographed "ballet" that works well when the handoffs are clean and fast, and adds spiraling costs when confronted with missteps in the form of choking congestion, bottlenecks, long lines, delays, and so on. I have the tools I need to map my product movements over the best routes by the right mode, to serve our production facilities on the one hand, and our consumers on the other. That is my job. What I cannot control, however, is the queue at the highway interchange or the choking traffic that we see every day in urban America. We are not exporters—drywall is generally too heavy and low value, characteristics that tend to force local production and consumption. We likewise obtain our raw materials domestically. But imagine the problems for U.S. retailers trying to get that Asian made furniture to the showroom floor in time for the promotion being advertized in the local newspaper. If the special sale is this Saturday and Sunday, it doesn't do much good if the truck pulls into their loading dock next Tuesday.

Of course that is just one simplistic illustration. The scope and dimension of the intermodal transportation challenge is shaped by literally tens of thousands of examples that span the American economic panorama, and millions of pickup/transfer/delivery transactions.

I do not speak for all of American industry. But among the broadly diverse membership of the NITL, there is a shared deep concern that we are adrift. We are grateful that after a few awkward patches, we now have in sight a surface transportation authorization—and the needed funding—to carry us through the rest of this year. Respectfully, I am urging this Congress and this Administration to move with dispatch on the hard work that lies ahead to craft the next long term surface transportation bill, and in so doing use this opportunity to examine both the present and future needs of our freight transportation system in its totality. Our transportation infrastructure requirements for a competitive future cannot be measured by the needs of each mode alone. We need to assess the needs of the freight transportation system.

I do not want to leave any impression that I do not understand the problems you and your colleagues face in dealing with this issue and so many others, Mr. Chairman. I can well imagine that no elected official is eager to vote to raise taxes or user fees to build roads, increase throughput in our ports or add runway capacity. I understand these are complex matters not easily resolved in our system of government. However, I do ask that we now make productive use of the "breather" we have with this extension of the surface transportation authorization for the balance of 2010. I would hope we could use this time to lay out the dimension of the challenge ahead of us and rationally discuss the means to pay for the investments we have been delaying but now must undertake.

For the record, League members have said repeatedly that we are willing to pay our fair share of that cost. We are both users and beneficiaries of our freight transportation system. We are only too aware of the enormous cost of adding capacity, maintaining what we have and squeezing more out of what we have. Our single proviso is that whatever additional revenues—from taxes, user fees, or other sources-- we are asked to pay be used for the intended purpose and not diverted to other pressing needs.

I know that other committees in the Congress have primary jurisdiction to write the authorizing legislation for our transportation programs. But it is the province of the whole Congress to make the decisions. Your hearing today is helpful in that regard. New programs will likely be designed. New funding mechanisms are an imperative. But as we move forward in that process, I would ask that you help change the way we think about freight transportation in the United States.

To begin, I and countless others in American industry and commerce believe that efficient, low cost freight transportation really matters to this country. I have heard that old saying that "freight doesn't vote—people vote" too many times. Candidly, that is far too simplistic. When delay, congestion and high cost in freight transportation begin to squeeze out American products in the marketplace, and when those factors raise prices on our store shelves, the American public—the voters—will react. At the margin, we will lose competitiveness, lose jobs, and lose economic vitality. Those are not acceptable outcomes to sustain a growing population and a growing economy. Those are outcomes more akin to stagnation. The fact that you are having this hearing suggests to me that you have embraced that precept, that freight does in fact matter. Let's put it at the top of our national transportation agenda.

As I said at the outset, I am also here on behalf of the large membership of the NITL. The League has joined with an array of shipper and carrier interests to form a "Freight Stakeholders Coalition" for the purpose of drawing attention to the needs of our freight transportation system, today and in the future. The Coalition represents users and providers of freight transportation by water, truck, and rail, and is broadly representative of the diversity of American economic interests. Collectively we are concerned that the importance of freight mobility has not been adequately recognized or prioritized. Members of the Coalition remain committed to working together to raise the visibility of the improvements needed in our transportation system, and craft appropriate solutions.

The Freight Stakeholders Coalition has enunciated a ten point platform of principles which captures ambitious but achievable goals focused squarely on improving freight mobility on our highway system.

Those ten principles are:

1. **Mandate the development of a National Multimodal Freight Strategic Plan.** The next surface transportation authorization should mandate the development of a National Multimodal Freight Strategic Plan. The development of this plan should be led by the U.S. Department of Transportation, in partnership with state DOTs, cities, counties, MPOS and regional planning organizations, ports, freight shippers, freight carriers, and other stakeholders.
2. **Provide dedicated funds for freight mobility/goods movement.** The legislation should provide dedicated funds for freight mobility/goods movement. Dedicated funds should be provided to support capital investment in critical freight transportation infrastructure to produce major public benefits including higher productivity, enhanced global competitiveness and a higher standard of living for our nation. High priority should be given to investment in efficient goods movement on the most significant freight corridors, including investment in intermodal connectors into freight terminals and projects that support national and regional connectivity.
3. **Authorize a state-administered freight transportation program.** Congress should authorize a state-administered freight transportation program as a new core element of the federal highway program apportioned to states.
4. **If a new freight trust fund is created, it should be firewalled, with the funds fully spent on projects that facilitate freight transportation and not used for any other purpose.** Priority should be given to nationally and regionally significant infrastructure, with funds distributed through a competitive grant process using objective, merit-based criteria. Appropriate projects that are freight-related should still be eligible to compete for other federal funding sources.

5. Establish a multi-modal freight office within the Office of the Secretary. Freight mobility should be a key priority within USDOT. The Secretary's office should have staff with freight expertise who can focus on nationally and regionally significant infrastructure.

6. Form a national freight industry advisory group pursuant to the Federal Advisory Committee Act to provide industry input to USDOT, working in conjunction with the new multi-modal freight office. The advisory group should be funded and staffed, and it should consist of freight transportation providers from all modes as well as shippers and state and local planning organizations. Despite the best efforts of the agency to function as "One DOT," there is still not enough of a focused voice for freight. An Advisory Group would meet the need for regular and professional interaction between USDOT and the diverse freight industry, and could help identify critical freight chokepoints in the national freight transportation system.

7. Fund multi-state freight corridor planning organizations. Given that goods often move across state lines and involve multiple modes of transportation, Congress should fund multi-state, multi-modal planning organizations that will make it possible to plan and invest in projects where costs are concentrated in a single state but benefits are distributed among multiple states.

8. Build on the success of existing freight programs. There are numerous existing transportation programs that facilitate freight mobility and are demonstrably valuable. A new national freight policy should continue and strengthen these core programs or build on their principles and successes to guide freight program development if DOT is restructured and/or program areas are consolidated.

Examples of these successful core freight programs are the Projects of Regional and National Significance, National Corridor Infrastructure Improvement Program; Freight Planning Capacity Building Program; Transportation Infrastructure Finance and Innovation Act, National Cooperative Freight Transportation Research Program; Coordinated Border Infrastructure Program; Private Activity Bonds for Intermodal Facilities; Capital Grants for Rail Line Relocation Projects; Rail

Rehabilitation and Improvement Financing (RRIF); Congestion Mitigation and Air Quality Program, Truck Parking Pilot Program, and Rail-Highway Crossings. Funding for discretionary programs should be awarded through a competitive grant process.

9. Expand freight planning expertise at the state and local levels. Given the importance of freight mobility to the national economy, States and MPOs should be provided additional funds for expert staff positions dedicated to freight issues (commensurate to the volumes of freight moving in and through their areas). All states should have a freight plan as a tool for planning investments and for linking to the national freight system.

10. Foster operational and environmental efficiencies in goods movement. As in other aspects of transportation, improvements designed to achieve long term sustainability in goods movement are desirable to meet both commercial objectives—economy and efficiency—and public objectives—energy security and reduced environmental impact. Federal policy should employ positive approaches to enhance freight system efficiency and throughput with the goal of reducing energy consumption and green house gas emissions.

As you would conclude from my testimony, I and my colleagues would urge you to help reshape our transportation programs in a way that is supportive of connectivity and intermodal efficiency. We are ready, willing and able to work with you. Thank you for having this hearing, Mr. Chairman, and thank you for inviting me to participate.

Mr. OLVER. Thank you very much. Last but not least, Mr. Lynch.

MR. LYNCH'S OPENING REMARKS

Mr. LYNCH. Mr. Chairman, Ranking Member Latham, Congressman Carter, I think we have reached the stage where everything has been said, but not everybody has had a chance to say it. So I will try and not be redundant with the comments made by my fellow panelists, and hopefully be brief.

Every day, thousands of trailers and containers carrying everything from bulk commodities to consumer goods float through our nation's transportation network. And highways are the primary circulatory system for this network. Trucks move 70 percent of the nation's freight tonnage and draw 83 percent of the nation's freight bill.

If you break down the flow of goods into three distinct mileage categories, 0 to 500 miles, 500 to 1,000 miles, and over 1,000 miles, truck transportation almost exclusively handles the short-haul market, dominates the mid-level market, and is a significant player in the third or long-haul market. More importantly, trucks exclusively serve over 80 percent of the communities for the products and goods they receive in the United States.

Trucking is a partner with virtually every other transport mode. Intermodal traffic today is at the top of commodities transported by the railroad industry, and individual trucking companies are among the largest, if not the largest, customers of the rail industry.

Having said that, it is important to note that even if we double, double intermodal traffic over the next 10 years, at the end of that 10-year period, intermodal traffic will still represent under 2 percent of the market. Clearly, we need a vibrant and robust transportation infrastructure program in this country. We just have one small problem. We cannot seem to figure out how to pay for it.

The American Trucking Association has taken the position that we will support an increase in the Federal fuel tax to pay for our highways and bridges. Additionally, we believe we need a new focus on goods movement and freight mobility, obviously the subject of this hearing. But more succinctly, as some of the other panelists have said, we need a national freight policy.

Within that freight policy, we believe we need an emphasis on addressing congestion. Congestion for the freight community has three negatives: It wastes time and delays pickup and deliveries; it results in excessive consumption of fuel at a time when we should be doing all we can to reduce our fuel consumption; and it contributes to unnecessary carbon emissions.

We believe that one part of the solution for the nation's congestion problem is to address the choke points or bottlenecks in the system, and to ensure that capacity improvements remain a priority for the program.

There is another important component to infrastructure investment that is vital, but often overlooked, and that is safety. At ATA, we believe that the combination of improvements in vehicle technology, the training and performance of the driver, and infrastructure, whether it be something as simple as fixing the potholes or more complex like extending off- and on-ramps between interstates, have all contributed to a continuing decline in highway accidents and fatalities. And I would be remiss if I did not mention at this time we would certainly hope that the subcommittee fully funds the MCSAP program, the primary safety program for the trucking industry in this appropriations cycle.

As this subcommittee well knows, the options or alternatives are not appealing. As a matter of fact, we would be hard pressed to pay for a six-year extension of the current program, with no new programs, with the current revenue stream. To us, there only appear to be three options. We can either summon the political will to pay for the system with enhanced revenues; we can continue to supplement the program with general revenue funding; or we can scale back the system.

What we cannot do is attempt to add new programs and financial burdens when we are failing to address the most fundamental infrastructure needs now. Perhaps we have reached the point where we need to take a hard look at what we can pay for under the user-based system, and what we may need to consider paying for through general revenue funding.

Mr. Chairman, that concludes my comments, and I would be happy to answer any questions you and the other panel members may have.

[The information follows:]

Before the

Subcommittee on Transportation, Housing and Urban Development, and Related Agencies

Committee on Appropriations

United States House of Representatives

Statement of

Tim Lynch
Senior Vice President, Federation Relations and Strategic Planning
American Trucking Associations

On

Strengthening Intermodal Connections & Improving Freight Mobility: An Outside Perspective

March 16, 2010

AMERICAN TRUCKING ASSOCIATIONS

Driving Trucking's Success

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INTRODUCTION

Chairman Olver, Congressman Latham and members of the Subcommittee, thank you very much for inviting the American Trucking Associations[1] to testify before you today. I am Tim Lynch, Senior Vice President for Federation Relations and Strategic Planning for ATA.

Mr. Chairman, you are to be commended for calling this hearing and focusing attention on one of our Nation's greatest challenges – building a transportation infrastructure system that can meet current and future demands of the global economy. When your predecessors were considering America's transportation needs 60 years ago, they recognized that a safe, efficient system of highways connecting America's cities, towns and rural areas was necessary to meet our country's economic and military security needs. Their vision produced an Interstate Highway System that has served our country well, and today allows even the smallest entrepreneur to serve markets throughout the country and around the world.

Every day thousands of trailers and containers, carrying everything from grain to machine parts, flow through our ports, across our borders, and on our rail, highway, air and waterway systems as part of a global multimodal transportation logistics system. It is a complex array of moving parts that provides millions of good jobs to Americans, broadens the choices of products on store shelves and creates new and expanding markets for U.S. businesses. Highways are the key to this system. Trucks move 70% of our Nation's freight tonnage[2], and draw 83% of freight revenue, and the trucking industry is expected to move an even greater share of freight in the future.[3]

However, trucks are also crucial to freight moved on rail, in the air and on water. The highway system connects all of these modes to manufacturing and assembly plants, retail outlets, homes and warehouses. An efficient highway system is the key to a fluid global supply chain, which in turn is a fundamental element of a growing and prosperous economy. It should also be noted that despite the emphasis on promoting the use of intermodal transportation for moving the Nation's freight, 93% of freight moves by a single mode.[4] The reason for this is that moving freight by multiple modes adds handling costs and additional time, and increases the possibility of breakage. Therefore, the amount of additional freight that could benefit from intermodal deliveries is extremely small, and the vast majority of freight will continue to be carried by trucks on the highway system well into the foreseeable future.

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[1] The American Trucking Associations is the largest national trade association for the trucking industry. Through a federation of other trucking groups, the industry-related conferences and its 50 affiliated state trucking associations, ATA represents more than 37,000 members covering every type of motor carrier in the United States.
[2] U.S. Census Bureau, *2007 Commodity Flow Survey*, Dec. 22, 2009.
[3] Global Insight, *U.S. Freight Transportation Forecast to...2020*, 2009.
[4] U.S. Census Bureau, *2007 Commodity Flow Survey*, Dec. 22, 2009.

Unfortunately, Mr. Chairman, the highway system no longer meets our needs. While the condition of our highways and bridges has steadily improved in recent years, our infrastructure is aging and large sections will have to be repaired or replaced in the coming years, at an enormous cost. According to the U.S. Department of Transportation, an additional annual investment, by all levels of government, of $27 billion (2006 dollars), 35% above current revenues, is needed to simply maintain current highway and bridge conditions over the next 20 years, while up to $96 billion (2006 dollars) is necessary to make improvements, an increase of 67%.[5]

More troubling is the seemingly endless congestion on highways in urban areas. In 2007 drivers in metropolitan areas wasted 4.2 billion hours sitting in traffic and burned 2.8 billion gallons of excess fuel, at a cost of $87 billion.[6] This figure likely underestimates the real cost of an inadequate highway system to the U.S. economy because it does not take into account the costs associated with highways that are becoming increasingly unreliable. Since deregulation and completion of the Interstate Highway System over the previous 30 years, the trucking industry has made continuous improvements that have allowed its customers to significantly reduce inventories and create manufacturing and supply chain efficiencies that have saved the U.S. economy billions of dollars, increased salaries, slowed inflation and created countless jobs. Disruptions to the movement of freight on our nation's highway system due to congestion jeopardizes these gains. Congestion slows delivery times, creates unpredictability in supply chains and ultimately makes U.S. businesses less competitive and consumer products more expensive. Indeed, in its 2008 *State of Logistics Report*, the Council of Supply Chain Management Professionals described a logistics system whose costs between 2003 and 2007 rose nearly twice as fast as GDP.[7] Mr. Chairman, if we fail to address congestion, these costs will continue to rise, and will translate into higher consumer prices and slower job growth, and weaken the United States' ability to compete in the global economy.

The United States has been living off the transportation infrastructure built by past generations, and our failure to keep up with the demands imposed on these systems by population and economic growth have weakened the Nation's competitive position relative to other countries. According to a World Bank analysis, the United States' logistics system ranks 15th in the world based on key measures such as the quality of transportation infrastructure, competence of logistics providers and terminal handling efficiency.[8] The U.S. lags behind many of our global competitors, including Germany, Japan, the United Kingdom and Canada. Eliminating bottlenecks on our highways and at our ports and border crossings will greatly enhance America's competitive position.

Mr. Chairman, incremental solutions will not allow us to meet the Nation's current and future transportation needs. The federal surface transportation program in its current

[5] U.S. Department of Transportation, *2008 Status of the Nation's Highways, Bridges and Transit: Conditions and Performance*, 2009.
[6] Texas Transportation Institute, *2009 Urban Mobility Report.*
[7] Council of Supply Chain Management Professionals, 19th Annual *State of Logistics Report*, June 18, 2008.
[8] World Bank *Logistics Performance Index 2010.*

form will not suffice. While more resources than are currently available will be necessary to finance the transportation improvements needed to get our country out of traffic gridlock and to make driving less hazardous, we can no longer afford to spend limited federal resources on projects that do not meet our most important national needs. Therefore, federal funds must be invested in a manner that will most effectively address these requirements. Furthermore, outdated federal laws and regulations that are detrimental to motorists and to society at large must be reformed. My comments will focus on what changes must be made to the federal highway program in order to accommodate current and future highway freight transportation demands.

A NEW FEDERAL VISION: FOCUS ON MOVING FREIGHT

When the federal highway program was created, it had a clearly defined mission: to finance construction of the Interstate Highway System. When that mission was complete, the money was still coming into the Highway Trust Fund (HTF), but Congress did not identify a new federal role. With few exceptions, Congress and the states tend to view the HTF and the highway authorization and appropriations process as simply an opportunity to address parochial interests, without putting these decisions into the context of a broader national vision. What attempts are made to focus on national priorities tend to get lost in the battle for greater state apportionments and earmarks for local projects. In the meantime, critical projects which have national or broad regional implications go unfunded. The ability to plan, from a national perspective, for the transportation challenges of the 21st century, is impossible within this parochial atmosphere.

This is not to suggest that the current federal program is devoid of benefit. Local transportation challenges are necessarily dealt with by state and local governments, and the continued flow of federal resources to address these needs is important. However, because the full benefits of moving freight extend beyond metropolitan and state boundaries, projects which might otherwise receive a higher priority go unfunded, in part because many are extremely expensive and would, by themselves, eat up state budgets.

The failure by planners at all levels of government to identify and fund projects that are important to the movement of freight points to problems in the transportation planning process itself. While federal law requires states and Metropolitan Planning Organizations to identify transportation needs within their own boundaries, vehicle travel is not bounded by lines on a map. Transportation extends across state and local government borders, but currently the planning process does not. While some states have made great strides toward regional planning, the ability to fund projects outside of their states, even when they are likely to benefit greatly by such decisions, is tempered by political reality. The federal government is the only entity in a position to determine the national and regional benefits of highway projects that facilitate the movement of freight, and is singularly equipped to provide sufficient resources and strong leadership to ensure that these projects are completed.

ATA believes that the federal government must adopt a new mission: to provide the leadership and resources necessary to facilitate the safe and efficient movement of

goods on the nation's highway system. Such a program should be segregated from the existing federal surface transportation program, and its source of funding should be walled off within the Highway Trust Fund.

While trucks serve 100 percent of American communities and utilize nearly the entire four million mile road system, freight tends to be concentrated along a few major corridors. Many of these corridors are also among the most heavily congested in the nation. ATA is presenting to the subcommittee for its consideration proposals that address the immediate and longer-term deficiencies plaguing important highway freight corridors.

Freight Bottlenecks

A study for the Federal Highway Administration (FHWA)[9] identified the highway bottlenecks that cause the greatest amount of delay for trucks. Based on the agency's estimates, ATA calculates that these bottlenecks cost the trucking industry approximately $19 billion per year in lost fuel, wages, and equipment utilization. The study estimated that highway bottlenecks account for 40 percent of congestion, with the remainder caused by accidents, bad weather, construction, special events and poor signal timing.

ATA supports an increase in the fuel tax, provided the revenue is dedicated to funding projects which address the most critical highway needs. We believe that the FHWA bottleneck study is the type of analysis which is needed to ensure that limited funds are put to the most efficient use. However, in order to properly identify priorities, good data is needed. Unfortunately, over the past few years, funding for freight data has been cut substantially. The Census Bureau's Commodity Flow Survey, which is funded by the HTF under the auspices of the Bureau of Transportation Statistics, provides the underlying data for many multimodal freight studies by federal, state and local government agencies, as well as academic institutions and the private sector. Unfortunately, it is no longer as robust as it should be, and its utility has been depleted due to a lack of resources. The Vehicle Inventory and Use Survey, also a BTS program, which has collected information on the physical and operational characteristics of the trucking industry since 1963, was halted after the 1997 study due to budget constraints. A relatively small investment in these invaluable sources of data will help government agencies nationwide to make the best use of scarce transportation funding resources.

Sources of Funding

As stated above, trucking companies would be willing to support an increase in their highway user fee payments if they perceive value from the expenditures. The source of revenue from the trucking industry should:

- be easy and inexpensive to pay and collect;
- have a low evasion rate;
- be tied to highway use; and

[9] Cambridge Systematics for the Federal Highway Administration, *Estimated Cost of Freight Involved in Highway Bottlenecks*, Nov. 12, 2008.

- not create impediments to interstate commerce.

Fuel Tax

ATA believes that fuel taxes meet all of these criteria. Currently, the federal tax on diesel generates approximately $400 million per year for each penny collected, while each penny of a gasoline tax produces around $1.3 billion. We recognize that over the long term, due to changes in vehicle technologies, the tax on diesel and gasoline may not be a viable source of revenue. We are willing to consider alternatives that meet the criteria described above.

Tolls

Because of important measures adopted by Congress and by state and federal taxation agencies, fuel tax evasion is relatively low. Tolls, on the other hand, are often easily evaded, usually by motorists using alternative, less safe routes that were not built to handle the level and type of traffic experienced due to toll evasion.

There are significant capital and operating costs associated with collecting tolls, while fuel taxes are relatively inexpensive to administer. While state fuel tax collection costs are one to two percent of revenue, on major toll roads, collection expenses constitute one-quarter to one-third of revenue.[10] Even on newer toll roads which utilize the latest technologies, collection costs are significant compared with the fuel tax, ranging between 12% and 20% of revenue.[11] Furthermore, as the number of toll facilities grows, so too do the number of points of collection, creating an administrative nightmare for trucking companies who operate throughout the country and are often required to establish accounts with multiple tolling authorities. A lack of transponder uniformity will also force carriers to purchase and install multiple transponders.

Congestion Pricing

An element of tolling is congestion pricing – the theory that if users pay their full marginal social costs of driving some would make different choices. Generally, the choices are to travel at a time of day when traffic congestion is less severe or to choose an alternate travel mode. For the trucking industry, no alternate mode exists. In addition, the trucking company's customers generally decide pick-up and delivery times. Because of the competitive nature of the industry, many trucking companies find it extremely difficult to allocate toll costs to individual deliveries, thus giving the shipper no incentive to change schedules. Therefore, congestion pricing is not an appropriate mechanism for regulating travel time choices of trucking companies. A more effective approach would

[10] American Transportation Research Institute, "Highway Funding Analysis: Defining the Legacy for Users," 2007.
[11] *Comparative Analysis of Toll Facility Operational Costs*, Washington State Department of Transportation, Feb. 22, 2007.

be to give direct incentives to shippers who make choices that are likely to reduce traffic congestion.

Privatization of Toll Facilities

We strongly believe that while private financing of highway infrastructure may play a limited role in addressing future transportation needs, certain practices may generate unintended consequences whose costs will vastly exceed their short-term economic benefits. In particular, we are very concerned about attempts by some states to carve up the most important segments of the highway system for long-term lease to the highest bidder. We believe that leasing existing highways to private interests is inconsistent with the efficient and cost-effective movement of freight, is not in the public's best interest, and represents a vision for the Nation's transportation system that is short-sighted and ill-conceived. We therefore oppose these schemes.

While privatization discussions tend to center on financing concepts and the great public benefits from concession fee revenue, what often gets lost or ignored is the impact of these deals on the users of the toll facilities and on the general public. Chief among the concerns is the impact of toll road privatization on toll rates. Demand elasticity, the art and science of determining how high rates can increase before a significant number of users will abandon the toll road, is the private operator's chief method for deciding appropriate toll rates. Private toll road operators need not be concerned about the social impacts of toll rates on low-income workers, or on the costs to businesses that depend on the highway for transporting employees, customers, goods or services. Nor do private operators care about the extent of traffic diversion to lower quality, less safe, roads. Their main concern is to maximize the toll road's profitability within the confines of the lease agreement and the law.

Supporters of privatization point out that toll rates are unlikely to increase substantially because customers will choose to simply migrate to toll-free roads. In some cases, this may be true – a reasonable toll-free alternative may be available. On most major toll roads, however the only alternative may be a two-lane road with traffic lights and a significant amount of local traffic or, in the case of a toll bridge or tunnel, no alternative at all. Complicating the situation is a standard practice of including non-compete clauses in lease agreements, which prohibit or severely restrict improvements to competing roads.

Privatization boosters also point to caps on toll rate increases that have been a standard part of privatization agreements. However, two major lease agreements that have been completed in the United States – the Indiana Toll Road and Chicago Skyway – have been accompanied by very large initial rate increases combined with caps on future increases that by some estimates could exceed six percent annually.

Beyond the concerns over toll rates, there are also questions about whether private toll road operators will act in the public's best interest. It is impossible to to predict changing circumstances over the life of a lease, which tend to be long-term – up to 99 years in duration. Many of the facilities under consideration for private takeover are among the most critical links in our freight and military logistics chains. They are also important commuter and tourist arteries. Will the private operators act in the public interest, even if it cuts into their bottom line? Given that their responsibility is to their shareholders, this is unlikely. When other corporations act in a manner that is not perceived to be in the public's best interest, the free market tends to correct their behavior. In a situation where the corporation essentially has a monopoly, these market forces do not exist. When the free market fails, government must often step in to protect the public. ATA believes that when it comes to the long-term lease of critical highway infrastructure, it is necessary and appropriate for the federal government to take action to protect the public interest and to establish interstate commerce protections, as required of the federal government by the Constitution.

We also believe that if too much reliance is placed on the private sector for financing highways, the criteria for project selection will shift from larger public benefits such as congestion mitigation, safety and reduction of emissions, to an evaluation of the project's ability to pay for itself and to subsidize unrelated government functions.

Tolls on Existing Interstate Highways

ATA is strongly opposed to tolls on existing Interstate highways. While federal law generally prohibits this practice, Congress has, over the years, created a number of exceptions. Imposing tolls on existing lanes of the Interstate System would have a devastating effect on the trucking industry. Virginia, for example, recently considered a truck-only toll on I-81 of $0.37 per mile. The trucking industry is highly competitive and taxes of this magnitude simply cannot be passed along to shippers.

In this connection, it must be pointed out that tolls represent double taxation. Truckers pay an average of nearly 50 cents per gallon in federal and state taxes on the diesel fuel they consume, and they pay addition federal excise taxes on the equipment they purchase, on the tires they use, and for the privilege of using their trucks. The states levy truck registration fees that average more than $1,500 a year per truck, and some states impose other highway user taxes as well. These federal and state taxes apply whenever a motor carrier uses a road – whether that road is tolled or not. Therefore, although the motor carrier industry strongly supports a system of taxation based on highway use, we believe that charging tolls on top of existing highway fees is inefficient, inequitable, and unfair.

The Current Reality – Deficit Funding of Transportation

ATA believes that increasing the fuel tax is the only viable long-term solution to the current highway funding crisis. However, we are aware of the political difficulties surrounding this proposal. The federal transportation program is now being funded by a combination of user fees and, increasingly, General Fund appropriations. We are concerned that the continued reliance on the General Fund, and the associated lack of long-term funding certainty that this creates for state transportation departments, will prevent investments in critical highway projects that demand a stable source of revenue.

Given this environment, it may be time to consider an alternative strategy – one option might be to transfer the Highway Trust Fund's Transit Account to the general account and use the revenue needed to make up for Highway Trust Fund shortfalls from the General Fund to pay exclusively for transit projects. This will provide an immediate injection of approximately $5 billion in highway funding annually, while strengthening the user pays principle that has historically been the foundation of the Highway Trust Fund. New or expanded transit projects increasingly justify their federal funding based on benefits that have little to do with improving highway mobility. This includes providing transportation services to underserved populations such as the elderly or handicapped, spurring community economic development, and supporting "livability" initiatives. The Obama Administration acknowledged this shift in policy with the issuance of new guidance in January.[12] It is appropriate, therefore, that these investments, made for the general good, should be paid for out of the General Fund, while highway investments, which primarily benefit highway users, should be funded by the Highway Trust Fund.

It should be noted that even with the additional revenue generated by elimination of the Transit Account, an increase in federal funds will be necessary to pay for an adequate highway program. While any increase in the fuel tax will be unpopular, the approach we have presented will necessitate an increase of roughly five cents per gallon in order to fund a highway program that continues the funding levels under SAFETEA-LU. This assumes that Congress changes the law to allow the Highway Trust Fund to draw interest and to eliminate HTF subsidy of fuel tax exemptions. While we recognize that in the current economic environment any loss of income can be a hardship, for the typical driver of a passenger vehicle, a five cents per gallon increase in the price of fuel will add less than $1 to the cost of a fill-up, or about $28 per year. This is a very small price to pay for safer, less congested roads. Barring an increase in the fuel tax, an additional infusion of $8 billion to $9 billion will be needed to fund a bare-bones highway program. Let me stress that we do not believe that this level of funding is adequate to meet current and future needs, but given the current opposition to both fuel tax increases and greater deficit spending, it may be the only politically realistic option.

The Administration's Budget

We are concerned with the Administration's proposal to divert $527 million of state apportionments to an ill-defined livability initiative. Given the lack of funding in just about every state, if not all 50 states, for a basic highway maintenance and improvement program, shifting money from "must-have" projects to "nice-to-have" projects is simply irresponsible, and is not a good use of taxpayers' money. It should be noted that states have significant flexibility to spend their federal apportionments on the types of projects envisioned under the livability initiative. They should be allowed to determine whether this is the best use of these resources.

[12] http://www.fta.dot.gov/news/news_events_11036.html

IMPROVE TRUCKING PRODUCTIVITY

In addition to better, less congested highways, the trucking industry will need to improve our equipment utilization in order to meet future demands. According to a soon to be released report by the Organisation for Economic Co-operation and Development (OECD), the United States has the most restrictive truck weight regulations of any developed country. At the same time, America's freight transportation demands are greater than any other nation's, and we have the world's most well-developed highway system. Therefore, the potential productivity benefits of changes to size and weight regulations are very significant.

More important, however, are the possible safety benefits of size and weight reform. Research demonstrates that more productive trucks can be as safe as or safer than existing configurations. Furthermore, because fewer truck trips will be needed to haul a set amount of freight, accident exposure – and therefore the number of accidents – will be reduced.[13] More productive trucks will reduce congestion and will decrease the amount of fuel needed to carry the same amount of freight, thus reducing emissions. A recent study found that use of these vehicles could reduce fuel usage by up to 39%, with similar reductions in criteria and greenhouse gas emissions.[14]

A new federal-state partnership is necessary to promote truck size and weight reforms that meet the important and legitimate financial goals of U.S. businesses, while also addressing the equally important and legitimate concerns of federal and state government agencies and officials who seek to safeguard public safety, promote air quality goals and protect their investments in highway infrastructure. In order to take advantage of the benefits that productivity increases can deliver, Congress must reform its laws to give states greater flexibility to change their size and weight regulations with oversight by the Federal Highway Administration.

CONCLUSIONS

ATA would like to thank the Subcommittee for the opportunity to testify. We look forward to working with Members to develop a new and greatly improved highway bill that meets current and future transportation needs.

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[13] See for example: Campbell, K.L., *et al.*, "Analysis of Accident Rates of Heavy-Duty Vehicles," University of Michigan Transportation Research Institute (UMTRI), Report No. UMTRI-88-17, Ann Arbor, MI, 1988.; Transportation Research Board, National Research Council, "Truck Weight Limits," Special Report 225, Washington, D.C., 1990; Cornell University School of Civil and Environmental Engineering, "Economic and Safety Consequences of Increased Truck Weights," Dec. 1987; Scientex, "Accident Rates For Longer Combination Vehicles," 1996; Woodrooffe and Assoc., "Longer Combination Vehicle Safety Performance in Alberta 1995 to 1998," March 2001.

[14] American Transportation Research Institute, *Energy and Emissions Impacts of Operating Higher Productivity Vehicles, March* 2008.

Mr. OLVER. Well, thank you very much for your testimony. I think you have thrown quite a lot of fairly diverse controversies on the table that we can delve into bit by bit here. From here, we are going to go back and forth with questions from the panel, and each of us will have five-minute periods.

Basically, it is better if these involve short questions, and then answers by allowance of time for the members of the panel to answer those questions. But sometimes members have longer statements that they want to make. I think we will limit each of us to about six minutes, and this not including the explanatory piece that I was doing. [Laughter.]

HIGHWAY TRUST FUND

Mr. OLVER. Let me start. In your opening statement, or in your written statement—I am not absolutely certain whether you said these words, Mr. Johnson, but in your written statement, you said that the members of the National Industrial Transportation League are willing to pay their fair share of the costs to maintain and improve our national transportation network.

Ms. Swaim-Staley, the Secretary of the DOT for Maryland, has explained somewhat in her testimony what the Maryland DOT does, and argues there are fees and taxes, fuel taxes and such, that go into that fund, but there is also a flexible funding, as the words—I think the term "flexible funding" is what you used, which includes business taxes or fees, and individual taxes of an income tax or sales tax nature that goes into the fund, which does this. And you had also mentioned the leverage that you get with building private partnerships, which are relatively new.

You even mentioned the words "transit oriented development." One of the most valuable things that you can have is the air rights over transit and highways, especially in urban areas. Usually those development monies go into the funds which are supporting the transportation systems. So there are a variety of ways.

You did not mention congestion pricing or tolling specifically in your verbal testimony, if I remember correctly, but of course they were a part of what the commission had put forward.

I am going to spend most of this making a statement, I see. [Laughter.]

We have a need in transportation for two or three times the amount of revenue that we now have going into it, especially if— we are talking about a need at the surface transportation, which is generally meant to be highways and transit, mostly passenger sorts of things, although the authorizing committee is also clearly working on what the needs are for freight, and has done so, as you mentioned with relocation.

We have proven that the trust fund, built out of what we have been doing at the national level, cannot be adequate, and will be less adequate over time because our fuel efficiencies from which we draw revenues for the moment are going to increase. The fuel efficiencies are going to be increased, which means lower taxes per unit moved.

So we have some very serious problems, which go to Mr. Lynch's comment. We have to figure out how to pay for this. Would you like to give people, with what I have said—where are we going to get the money from? We know we have had a big commission looking at it. Where do we think we are going to get the money, and when are we going to get the political will, which involves some of your inputs, too, for what has to be done?

Anybody want to comment on what I have said?

Mr. LYNCH. If I could, Mr. Chairman. You know, we recognize clearly that with fuel efficiency, hybrid vehicles, et cetera, there is probably going to have to be some sort of a change. We have sort of laid out in the written testimony what we think are some principles for any new taxing schemes that might come along: Ease of collection, ease of auditing.

Right now, under the fuel tax, you basically have about 2,000 people that actually write the check to the IRS. If you go to some of these others, you will multiply that by literally millions of potential units of taxpaying for that, which obviously increases the auditing cost.

But at the end of the day, we can have the current system, we can have a new system, but somebody is ultimately going to have to raise their hand and say, yes, I support increasing that, whatever at that point.

Mr. OLVER. You say only 2,000 units are actually paying the fuel taxes?

Mr. LYNCH. That is about the number that actually write the check to the IRS on the fuel tax. Those are the jobbers.

Mr. OLVER. Interesting.

Mr. LYNCH. I mean, we all pay it at the pump, but none of us in this room have ever written a check to the IRS for a fuel tax.

Mr. OLVER. Do not the individual gas stations, fuel stations—they do not——

Mr. LYNCH. They do not write the check.

Mr. OLVER. They do not write the checks either.

Mr. LYNCH. No.

Mr. OLVER. It is coming from their suppliers.

Mr. LYNCH. Correct.

Mr. OLVER. Somewhere along that supply chain.

Mr. LYNCH. Correct.

Mr. OLVER. Well, that is a good thing to understand, for me. Okay. Anybody else? You were going to comment, Mr. Johnson.

TRUCKING WEIGHT LIMITS

Mr. JOHNSON. Yeah. You know, shippers are more than willing to pay their part. I mentioned that there are things that we support. We support tolling of roads that are new, not present interstates or present roads we have, but the new roads construction, we support that. So that brings funds through the committee.

If we raise the weight limits on trucks to 97,000 pounds, the ATA and National Industrial Transportation League both support that——

Mr. OLVER. Raise the weight limits, which makes more damage to the infrastructure.

Mr. JOHNSON. No. In 45 states today—and most of the States I am sure that you represent here have heavier weights on secondary roads. And what we are saying is——

Mr. OLVER. Than on the interstates.

Mr. JOHNSON. Than on the interstates.

Mr. OLVER. Really? Do Texas and Iowa have higher fees on the secondary roads than they do on the interstates?

Mr. JOHNSON. No, they do not, no. Maine is a good example of that. Maine just recently had the exempt——

Mr. OLVER. We did not have anything to do with that. [Laughter.]

I dissociate myself.

Mr. JOHNSON. Okay, all right. I agree then.

Mr. OLVER. Okay?

Mr. JOHNSON. But it was there. I mean, they get the 100,000 pounds on their roads. And it helped them a lot. I mean, the efficiencies in Maine today are just tremendous. Vermont got it. Florida got it for the emergency because of the storms down there. So it does help, and it is a way of revenue for the committee.

Mr. OLVER. I think I got you into the woods here on that question, in any case, probably. Mr. Latham.

Mr. LATHAM. Thank you for being succinct, Mr. Chairman. Interesting. I think in Iowa, as far as the weight, usually they suspend on the state and county roads in the fall during harvest. They will suspend the weight limitations, but not on the interstates, obviously.

GLOBAL COMPETITION

Mr. Lynch, in your testimony, you talked about how the U.S. lags behind our global competitors, namely Germany, Japan, and the U.K., and Canada. Can you give us an insight? Why are they more successful than we are, and maybe give us some ideas?

Mr. LYNCH. Well, I think probably twofold. One, the size of their system is vastly smaller than ours, so they have got less to pay for, and in some cases they have had a longer history, if you will, of relying on alternative modes.

The second is that they seem to have been able to figure out the taxing side of this to pay for the system that they have chosen to have. And so I think those two in combination explain that, and why we are—we have not raised the fuel tax here since 1992, I believe it was, or 1993.

And by the way, in all fairness, I mean, the American Trucking Association has not always been at the forefront in support of increasing that fuel tax. But this is, after all, our workplace. This is our office, and that office is crumbling. And so it was not without a lot of thought and debate internally that we reached the conclusion that we did.

HIGHWAY TRUST FUND

Mr. LATHAM. I had mentioned opening, again, Mr. Lynch, about—and we had a hearing last week about a proposal to take more highway trust fund dollars to give them to the community planners or different types of sustainable developments and things like that. There are already—I think it is 104 different programs that are funded out of the highway trust fund, and there are several of them that have to do with highways or roads or bridges, whatever. Most all of them have nothing to do with that.

What would you—if we were to going to start up new programs like this, would you continue to support new revenue, tax increases, for the trust fund?

Mr. LYNCH. One of our feelings about the fuel tax is that essentially 99 cents out of the dollar is actually going to roads and bridges. Some of these other taxing schemes, the administrative costs, the compliance costs, reduce that down anywhere from 10 cents to 15 to 20 cents. So we are fairly hard-nosed business people in that if you tell us you are going to pay a dollar, and you get 99 cents of real value, we are pretty supportive of that.

By extension to answer your question, we recognize that many of these other programs certainly may have value, but when you are dealing with roads and bridges that are in desperate need of funding, we believe that those dollars need to be focused on where they are desperately needed.

INFRASTRUCTURE MAINTENANCE

Mr. LATHAM. And I will, as we are going to have several turns here—but I think in your testimony you talked about focusing on the interstate highway system, and maybe in Iowa, where we have the farm-to-market roads, every four miles, we have hard surface roads so people—and that is extremely important, obviously, for us to have those types. I mean, everybody loves the interstate if you are going across country. But is there a mix?

I mean, everyone who buys a gallon of gas basically wants to make sure, nobody how they drive, that the roads are good and safe. Is there a mix, or do you still think we should focus in on the interstate system?

Mr. LYNCH. We use a statistic. Actually, it is not just us. DOT, I think—and I may not have exactly the percentages right here. But something like 75 percent of the freight, highway freight, moves on less than 10 percent of the road system. So logically, you would suggest that you need to focus those resources there.

However, we do not know on any given day if that load is coming from or going to a farm or rural community, so we have to be very cognizant of the fact that while the bulk of the traffic may not be on those roads a significant amount of time, they will be on those roads at some point in time, and those roads need, and those bridges need, to be maintained as well.

Mr. LATHAM. Mr. Johnson, I know you are—how would you—just by paying your freight bill is how you propose basically to increase funding?

Mr. JOHNSON. Yes. Of course, we paying our freight bills, we pay them to truckers, railroads——

Mr. LATHAM. Lynch wants you to pay your bills.

Mr. JOHNSON. Yes, he does, very much so, on time, every time. We pay all of these modes. And, of course, there are increased costs to us. Our shippers have agreed that we need to increase these costs in order to maintain our infrastructure in the United States, or in all modes, whether it is rail, truck, barge, ocean, whatever it may be. We need a viable transportation system to get our products to market. That cost of that viable transportation system needs to go up, we feel, in order to keep it a viable system. And we are willing to pay a share of that.

We know, as you know, that if we pay that share it might be passed on to product prices and to the stores. But that is what America needs.

Mr. LATHAM. Actually, Fort Dodge, Iowa has a lot of drywall gypsum there.

Mr. JOHNSON. Yes, they do.

Mr. LATHAM. I see I am out of time, Mr. Chairman.

Mr. OLVER. Thank you. Ms. Kaptur.

FUEL COSTS

Ms. KAPTUR. Thank you, Mr. Chairman, for holding this important hearing. And welcome. Thank you so very much for putting your remarks on the record. We appreciate your coming here.

Could I ask those representing private interests, what has happened to the cost of fuel versus your total cost of doing business as a share of your accounts? Anybody want to take—over the last 15 years.

Mr. OLVER. Did you say 50 years?

Ms. KAPTUR. Fifteen.

Mr. OLVER. Fifteen?

Ms. KAPTUR. Fifteen years.

Mr. LYNCH. Trucking is a very labor intensive industry. Obviously, we have the drivers. We have dockmen working on the docks. When fuel spiked up two summers ago, that was the first time in a very long time that fuel costs actually surpassed labor costs as our number one cost, on average, for truck companies.

Now there are always exceptions. Some people have other fixed costs, but fuel costs surpassed labor costs that summer. We are back down again where labor costs are above, but it will not take much of a spike back up again.

Ms. KAPTUR. For you to feel that?

Mr. LYNCH. To feel that, yes.

Ms. KAPTUR. So it is not insignificant. Would you say on average, what percent of your total cost of operating nationally, you know, just average of the total cost of business is fuel? I can tell you for the greenhouse industry that I represent, it is close to 40 percent.

Mr. LYNCH. I was going to say 40, but if I could submit that for the record, if I am off by too much on that, but I think it is about, generally speaking, 40–40–20.

FUEL EFFICIENCY

Ms. KAPTUR. All right. Where in the industry is the most important research being done to produce more fuel efficient vehicles?

Mr. LYNCH. Am I up again?

Ms. KAPTUR. Well, whoever wants to answer. Maybe, you know, state of Maryland could answer.

Mr. LYNCH. Trucks on average, 18-wheelers, get about six miles to the gallon. That is the bad news. The goods news is if we got a 50 percent boost in our fuel economy, that would be pretty significant, not only be up to eight, but it would be a 50 percent improvement.

We are working closely with our manufacturers——

Ms. KAPTUR. Who are the major manufacturers, sir?

Mr. LYNCH. Boy, if I forget one, I am going to be in big trouble. Volvo, Mack, Cummings, International, Freightliner. Well, Peterbilt is under Freightliner. They may be in the smaller class vehicles. I do not think they are in the class sevens and eights.

Ms. KAPTUR. Do you know where the power trains for those are made?

Mr. LYNCH. Those are mostly made in the Midwest. And do not ask me who all of those folks are because I know I will miss a few, and then I will really be in trouble.

Ms. KAPTUR. Okay. But to your knowledge, you do not know any company that is in partnership with federal research agencies or the One Tank Command or anybody else to try to get new propulsion systems to help to reduce the vehicular mile cost.

Mr. LYNCH. I am aware that there was an Army—a military program, because they are a huge user of trucks. And again, if I could submit for the record——

Ms. KAPTUR. I appreciate that.

Mr. LYNCH [continuing]. Where they are in that research.

INTERMODAL VS. MULTIMODAL

Ms. KAPTUR. Okay. I just wanted to note that in many of your testimony, some of you used the term "intermodal." In fact, I think that is on the cover of what we were given, intermodal, whereas the state of Maryland, Ms. Swaim-Staley, you used the term "multimodal," which is what the director of transportation in Ohio always says. Could somebody define the difference for us? Do you want to take a stab at what the difference is, why you would be using these terms in what sounds like interchangeably in your testimonies?

Ms. SWAIM-STALEY. Well, I was going to say, coming from our standpoint, it would be—I am sorry, yes. They are interchangeable. I mean, the Department of Transportation in Maryland, all of the modes of transportation are within one department. So I think from our standpoint, we do tend to use the terms interchangeably. I am not sure if they have more significance for anyone else here on the panel.

Ms. KAPTUR. Mr. Wolfe.

Mr. WOLFE. Yes. Let me just add, in the port industry, typically intermodal is defined as rail movement, and multimodal is a combination of rail, truck, and other means.

INTERMODAL EFFORTS

Ms. KAPTUR. You know, I wanted to just use this opportunity, and then I will cease, Mr. Chairman—when the recovery bill came through here, our region's top priority project was a multimodal effort at our port to try to reduce truck traffic by permitting containers to be put on the ships, because I represent a port city, and to reduce carbon emissions and so forth. And what was really interesting, everybody locally, the local transportation agency, the governor, me, the senate—everybody supported this, right?

It never made it out of the Department of Transportation because they are so stovepiped over there. If you try to get them to think multimodal, they find you 59 reasons why you want to do is impossible, because why? FHWA does not agree that this happen, the highway administration.

But, you know, we are trying to put them all together. And it was really interesting to watch an agency literally tie itself up in knots rather than working with the community that thinks it sees the future and wants to have a better future serving all, port, rail, truck all together. DOT made it impossible.

So now we have to go back and apply under TIGER grants or some other category. You know, of course, we are year behind. We have 15 percent unemployment. We wasted all of this time. But it was really interesting—and I commend you, Mr. Chairman, for holding this hearing, because you would think they are there to help, you know, to try to not get tied up in—we all know where we want to go with this, but they were not thinking multimodal. They were not thinking intermodal. There are all these internal regulatory histories that made change very difficult, very, very difficult in our situation.

So I just wanted to put that on the record and thank you.

Mr. OLVER. This is a comment. Let me try to tie myself into a knot here. There must be some philosophical difference that is distinct between intermodal and multimodal. But I am really surprised, Mr. Wolfe, at your comment that in the port business, multimodal usually means port and rail. I would have thought that might be bimodal rather than multimodal. I would think multimodal and intermodal, they at least sort of infer at least more than two.

So let me leave that at that. Mr. Carter.

NATIONAL TRANSPORTATION STRATEGY

Mr. CARTER. Thank you, Mr. Chairman. Mr. Wolfe, when you were talking about the port of Tacoma and Seattle competing with Vancouver and Canada, it brings to mind—and I represent the state of Texas. And I was amazed. Recently, I had a coastal ports only, not any of our inland ports, come into my office and fill it up to overflowing with the number of coastal ports we have all looking towards what is going on with the expansion of the Panama Canal and competition with Mexico.

As I understand it, Mexico already is getting a lot of the west coast competition in the southern area, mainly because of some investments they have made, and also because there was some restrictions on the San Diego, L.A. area.

When you are looking at trying to get rid of this competitive disadvantage, where do you think the investment starts? Does it start at the ports and work outward? As you envision the solution for your port, think in terms of the other ports that have the same competition issue. And where do you envision we start?

Mr. WOLFE. What we envision is an advisory committee of industry experts coming together. So it would include the ports, of course. It would include the trucking industry, the rail industry, other logistics partners and policy decisionmakers coming together with a national strategic plan.

So it is not one entity that is going to drive this. It is a collective group that is focused on a national transportation strategy so that we can compete with the other gateways outside of the U.S.

Mr. CARTER. And it is my understanding—and I am really new at this transportation business, but I am trying to learn. And when I was in Hong Kong, I saw some of the super container ships that looked like they were going to fall over to me. And I understand there is just certain ports that can actually even deal with those. That is part of what the expansion of the Panama Canal is all about. And I am wondering if—right now, as I understand it, like, for instance, the China trade to Texas comes into Mexico, across Mexico on rail, into Texas, and then is distributed by rail and by truck out of Texas.

Explain to me the disadvantage of the foreign port to domestic port that we are dealing with there versus, let's say, domestic port to domestic port, internal domestic port.

Mr. WOLFE. Primarily, those decisions about which gateway a shipper uses is driven by cost. It is cost inefficiency. And so in today's environment, cost is critical. And so when we look at the port gateways, we absolutely need to be competitive with those other gateways, Mexico, Vancouver ports, and on the east coast as well.

And so I do not think the shipper is going to be biased one way or another. They are going to be looking at their cost, and that is what is going to drive the decisionmaking. And so for us, it is critical that we have an infrastructure program that supports efficient movement of cargo because inefficiency equates to higher cost. And so we are at a disadvantage today, no question. And we need to get our act together.

As a U.S. policy decisionmaking group and industry group, we need to get our act together because the competition has got their act together. They are ahead of us, and we need to get back in the game, and we need to have a strategic plan moving forward that is a national plan identifying the key strategic gateways and corridors for trade and freight mobility, and we need to make strategic investments into the future, now and into the future.

Mr. CARTER. So you think it is a strictly infrastructure solution, or do we have regulatory restraints that also cause our ports to not be competitive with these foreign ports? Because I have heard at least some rumor to that effect.

Mr. WOLFE. No question that regulatory constraints—I will give you an example of one that we deal with. It is the harbor maintenance tax that is a tax that does not exist in Canada. So when you add all of the costs associated with the movement of cargo, at the end of the day, those regulatory mandates that have a cost associated with them can be a competitive disadvantage.

Mr. CARTER. Thank you, Mr. Chairman.

Mr. OLVER. Thank you.

Mr. TIMMONS. I would just add one other observation related—I am the railroad guy, so I am not really the port expert. But I have been involved to some degree with Chinese discussions related to port consistency and reliability. Generally, the port development in the southern portion of Mexico was a reaction to uncertainty related to labor concerns.

When there are labor strikes, the entire train of ships, all the way back to their destinations, gets bollixed up, and deliveries cannot be made. And the Chinese are very concerned about that, and started looking eight years ago at alternatives, which the Mexicans were very forthcoming in offering. And so that is factor also, consistency and reliability.

Mr. CARTER. Thank you.

LINKING RAIL AND PORTS

Mr. OLVER. Thank you. I am going to focus upon you two here at the left end for the moment. Mr. Wolfe, you have a port at Tacoma. Can you tell me—you were not there at the beginning, in 1981, when the port started working on its first—started on the rail link directly to the port, I take it.

Mr. WOLFE. Right.

Mr. OLVER. Do you know, how many other places—you do mention that it is the first that did so. How many of them—for instance, Baltimore, does it have a direct rail to port connection there?

Ms. SWAIM-STALEY. Yes. At the port of Baltimore, we have CSX that services directly into the port. And we also, through a small arrangement that we have with a local railroad, we also have access to Norfolk-Southern with our port, although not——

Mr. OLVER. What would be the cargo size between your two, the Baltimore port to rail versus the Tacoma port to rail? Does Seattle also have a port to rail connection? They do both, Seattle and Tacoma do?

Mr. WOLFE. Let me just make sure I understand the question.

Mr. OLVER. Quickly. Maybe you should pass back and forth, for exactly what kind of tonnage is going directly rail to port.

Mr. WOLFE. Sure. So we measure our cargo in terms of tonnage and also in terms of volume. And so our volume has taken a hit during this recession. So we had——

Mr. OLVER. Is there not some relationship between—I realize there is a density possible difference, but there must be some relationship between tonnage and volume?

Mr. WOLFE. There is, there is. Let me give you figures in terms of volume, if that is okay, and then we will see if we can compare in terms of volume because I have got the volume figures more clearly than I do the tonnage, if that would be okay, Mr. Chairman.

Mr. OLVER. I guess I would like to get from the organizations—I am always interested in metrics, where it is we are doing these very forward-looking things and what kind of volumes and what kind of metrics are used in the industry to compare by—but I was sort of curious. Do you have a sense of how many—are there 15 or 20 that have large volume rail to port?

Mr. WOLFE. There is on average about—there are about 10 major gateways into the United States.

CSX

Mr. OLVER. Okay. Both of you talk about gateway initiatives, one being the CSX initiative.

Ms. SWAIM-STALEY. Right. Ours is specific to CSX Railroad.

Mr. OLVER. Yeah. Now there must be—every one of the class one railroads must have a major gateway initiative that functions. I know about the Alameda corridor into Los Angeles.

Ms. SWAIM-STALEY. And Norfolk-Southern has the heartland corridor. So yes, many of the companies in the east coast, we have it. There are initiatives——

Mr. OLVER. What kind of investment has gone into your Baltimore gateway initiative in total?

Ms. SWAIM-STALEY. CSX is a fairly new initiative, the CSX initiative with regard to gateway.

Mr. OLVER. Gateway and port are maybe two different things because your gateway initiative does not only involve the transfer from rail to port, I assume.

Ms. SWAIM-STALEY. Well, the gateway initiative I am referring to is a specific—it is a name of the CSX effort to achieve—it is very specific to a single railroad. That would be CSX from the east coast into the Midwest.

Mr. OLVER. What is the size of the initiative in its dollar value?

Ms. SWAIM-STALEY. I do not know in terms of the total value. I believe that we—they had requested in funding recently in TIGER for a major portion of the portion almost $300 million in terms of the cost. And that was just for, I think, about half of the whole segment.

PORT INVESTMENTS

Mr. OLVER. I am asking imprecise questions that make it difficult, I think, to answer. Mr. Wolfe, can you tell me how much money has been invested in the Tacoma port to get to where you are in today's dollars?

Mr. WOLFE. I would like to submit exact numbers for the record. But it is in the hundreds of millions of dollars. And that is over——

Mr. OLVER. Now you mentioned that Canada has got a $3 billion program related to Vancouver and St. Rupert.

Mr. WOLFE. Right.

Mr. OLVER. And then you mentioned that they have started this out as if, oh my gosh, this is really a dangerous and disastrous sort of thing that is happening to us. But $30 million was the first input at St. Rupert. That is 1 percent of the $3 billion. We are not getting very far at that point. When are we likely to have a facility at St. Rupert that is going to be competitive with Seattle and Tacoma?

Mr. WOLFE. It is so today. And maybe I am mistaken when I said 30 million. It was 300 million.

Mr. OLVER. 300 million?

Mr. WOLFE. 300 million.

Mr. OLVER. Ah, do not think I missed that one. I thought you said——

Mr. WOLFE. Okay. I must have misspoken then. It was a $300 million investment. And they are apparently handling in excess of 200,000 containers annually, and they have plans for expansion upwards of 2 million containers. That is targeting the U.S. market.

Mr. OLVER. And what is Seattle and Tacoma doing now?

Mr. WOLFE. We are handling last year about 1.5, and Seattle was about 1.7 last year, I believe.

Mr. OLVER. Million?

Mr. WOLFE. Yes.

Mr. OLVER. So it will take them awhile. When do they think they will reach 2 million?

Mr. WOLFE. Well, it is driven by the marketplace, so, you know, probably conservatively five to seven years. It will be dependent on how quickly the market returns. Their target market is the U.S. market. It is not Canada.

Mr. OLVER. Yeah. I do understand that. But it is getting into the U.S. in a different way.

Mr. WOLFE. Correct.

Mr. OLVER. Okay. Am I done here? I am going to quit. Who is next? Tom.

Mr. LATHAM. Thank you, Mr. Chairman. I am going to continue to pursue this, I guess. Mr. Wolfe, in your testimony, you talked about some theories about charging more for the U.S. ports to pay for the road and the rail infrastructure improvements, and about new port fees and all of this. And then in the same time, you are talking about competition you have. Is that going to make you less competitive if it costs more to come through your port?

Mr. WOLFE. Yes. Cost is going to be a key driver. When I suggested that the ports are supportive of—and you have heard it earlier with the NIT League—it is support for user fees. And so the users of the system are supportive of increasing the fees so that the infrastructure that we need has funding necessary for it.

The other critical point there——

Mr. LATHAM. The user fees, who would pay that?

Mr. WOLFE. The shippers.

Mr. LATHAM. Okay.

Mr. WOLFE. And ultimately all of us as consumers.

Mr. LATHAM. Right. But does that not make you less competitive?

Mr. WOLFE. It may make us less competitive. But it absolutely is necessary for us to have that infrastructure to compete, otherwise the cargo is going to continue to move through these other gateways. And I think it is a combination of things. I mean, we have the port at a local level provides infrastructure funding. So we have a responsibility. There is private sector funding. The railroads participate in that. So there are multiple ways in which to fund the infrastructure.

Mr. LATHAM. It kind of sounds like the post office model. If stamps are—mailing letters is much more expensive than doing an e-mail today, well, you just raise the price of a letter. I mean, it makes you even less competitive. I am not sure about the model here we are talking about.

But, General, we have been ignoring you. Did you have any—with your military background—and Ms. Kaptur was talking about innovations as far as trucks and things like that. Do you have anything to say about your experience?

Mr. TIMMONS. What I would say in specific about railroad locomotives is relative to a continuous effort to work on EPA requirements, tier 0, 1, 2, 3, and now 4—and so the industry—the locomotive manufacturers are working on that. That has had a tremendous impact on the environmental aspects of the railroad industry, which is when you look at the actual efficiencies associated with freight rail, they can move a ton of freight on a gallon of fuel 436 miles. Nothing else comes near it except maybe barges, and barges are very restricted to very large bulk quantities.

In addition to that, the innovation of using multiple small engines, small relative to railroad and locomotives—in other words, a truck engine or a combination of truck engines in new locomotives, permits them the same efficiencies with much less cost and emissions. So there is a lot of technology associated with this. Some of these locomotives are in service now, and there are also some very, very innovative systems related to electric-related locomotives that the technology appears to be worthwhile, so that there are some efficiencies associated with that.

In addition, I think there are some very promising additives that have come along in the last few years, very sophisticated additives that will save 10, 12, 14 percent fuel consumption. And for the railroad industry and the consumption of fuel for these locomotives, that is very, very significant.

Mostly in the past, we were happy with a 4 or 5 percent saving. And generally, out of additives, you got about a 2 percent. Now we are seriously looking at anywhere from 10 to 14 percent. So there is a lot of technology, and a lot of interesting things in the pipeline.

Mr. LATHAM. I would suggest using soy grease on your curves, too. It really helps make it——

Mr. OLVER. Did you say grease?

Mr. LATHAM. Yes. Actually, the Norfolk-Southern uses soy grease going around the curves, made out of soy.

Mr. TIMMONS. They did. They piloted that 10 years ago, and it is a great environmental benefit, and it is just as effective as a petroleum lubricant.

Mr. LATHAM. What is your opinion of the—maybe we covered this a little bit—the appropriation bill, the provisions last year for Maine and Vermont as far as overweight trucks, your official position?

Mr. TIMMONS. Our official position is that we align with the Department of Transportation, which was opposed to those particular initiatives. They are described as maybe guinea pig initiatives, simply to put an experimental 100,000–pound rig on highways and see how this thing works. It is from our standpoint ill-advised.

Mr. LATHAM. What funds—what is the most effective assistance we can do? There is the Energy Act, the capital grant program, some rail line relocation grant monies. What would you like to see as far as funding?

Mr. TIMMONS. In that relocation initiative, the actual authorized amount was 350 million, and the appropriated amount was 20 million or thereabouts. And so the $350 million I think would make a very substantial impact on mobility enhancement.

Ms. KAPTUR. Should I ask Mr. Lynch if he would like to see that come out of the highway trust fund? [Laughter.]

Mr. TIMMONS. Please.

Mr. LATHAM. I would, but I am over time. Thank you. [Laughter.]

Mr. OLVER. Ms. Kaptur.

Ms. KAPTUR. I have no further questions.

Mr. OLVER. No questions in this round. Mr. Carter.

INTERMODAL EFFORTS

Mr. CARTER. We have been talking about a long-term approach to the intermodal transportation infrastructure. And, of course, it is pretty clear everybody wants to build infrastructure. Are there other approaches that have been discussed by any of the industries that would help facilitate efficiency in the intermodal transportation besides building new infrastructure, that scientific approaches say the RFID tags to facilitate the process, or some other new approach that I am not aware of or that we are not being aware of that is being looked at by the various industries to make more efficient what we have got until we can get the infrastructure we have got to built? Anybody got suggestions?

Mr. LYNCH. I will take a stab at that. I mentioned earlier that in the sort of 0 to 500 mile market, trucks dominate. I mean, you are going to end up trucking the freight farther to get it to a rail head than if you just have it on the highway to go.

Having said that, I do not think we have even really scratched the surface of what we could be doing with the MTOs in terms of trying to coordinate traffic moving in and out of major metropolitan areas. Unfortunately, most major metropolitan areas look at us as a nuisance, you know, that we are sort of out there just because we want to be a nuisance on the highway, when in fact we are out there because we are either picking up or delivering something.

I believe that there are still a lot more opportunities to work with major metropolitan areas, coordinating deliveries with the customers. We do not much care whether we are—we do not want to be on the road at 4 o'clock or 5 o'clock in the afternoon any more than the car drivers want us to be out there. But we cannot deliver at 3 in the morning if there is nobody there to accept the deliveries at 3 in the morning.

You have got some major big box retailers that literally will have hundreds and hundreds of trucks coming in and out of that facility on a given day. That can be much better coordinated so that they are not all arriving at the same time, day or night. So I think there is still a lot more that can be done, and a lot more efficiencies to get out of the existing infrastructure.

Mr. TIMMONS. I would make the observation that in the railroad industry the application of a global positioning system on certain high value and hazardous material load has become fairly commonplace, if not blanketing the industry, certainly not unusual to see GPS systems track these commodities, which enhances efficiency, delivery, and of course safety in case there is some kind of an issue or a problem.

The RFD system is extensively used by the railroad industry, and I do not think there are hardly any pieces of equipment that do not have RFD tags on them, a very advanced process for reading those along the right of way as the equipment is moving toward destination. So that is a fairly reliable and robust system that is in place today.

But GPS seems to be very, very valuable. The trucking industry, by the way, has piloted some of this in terms of tracking high value Department of Defense loads. And there is a national tracking center that keeps track of every one of these vehicles that is moving with any kind of sensitive or explosive materials, bombs, and weapons, and things of that sort nationwide.

So it is a good approach. It is not fully employed, but over time, I think that will ultimately—particularly for chemicals and hazardous materials, it will be prevalent.

Mr. CARTER. Anyone else?

Mr. WOLFE. I would just add on a local level, the ports have looked at utilizing the gate assets off hours, and that has been effective, and also automation of terminals and creating velocity within the terminals versus adding new infrastructure, and there has been some success there and more to do there as well.

Mr. JOHNSON. I will mention, too, that the shippers, when the hours of service changed a few years ago, we started spending a lot of the money in technology to get trucks in and out of our facility a lot faster. We understand from trucks and rails both. We have to be on the road or on the rails in order to make money. And we spent a lot of money to make sure that those units, which was assets, were on the road a lot faster and making money for them so we can reduce our cost and keep our cost competitive in the world.

Mr. CARTER. Thank you.

Mr. OLVER. Mr. Berry.

Mr. BERRY. Thank you, Mr. Chairman. Could each one of you tell us what your greatest need is that you think we can have some impact on, besides money? [Laughter.]

NATIONAL FREIGHT POLICY

Mr. LYNCH. I will start this one, I guess. I would say, Congressman, to develop a freight policy, a national freight policy so that the intermodal, the multimodal is in fact coordinated.

Mr. JOHNSON. And I will have to second that. The modes today seem to—rail and truck and others—seem to argue. They are pretty much against one another, like they are supposed to, but there is no coordination between the modes. I think I would like to see and the shippers would like to see a better coordinated effort for all of the modes, where our system is—a national transportation policy is in place that improves the infrastructure for the entire United States for all modes.

Mr. TIMMONS. Mr. Berry, bear with me for just a moment because my answer requires just a little bit of background. These small railroads actually are the product of a piece of legislation that came about in 1980 called the Staggers Act, and that deregulation of the rail industry unexpectedly produced a quantum leap in the number of these small railroads. And the reason for that was that the larger railroads under the Staggers Act were then permitted to divest themselves of properties that were not so economically viable, and they have not maintained those properties and those bridges. And there were small entrepreneurs that seized those small properties, and because of the low overhead and the flat organizational structure, they went ahead and have turned those things into some moneymaking organizations and have managed to grow them.

Still and all, the railroad standard today for freight cars is 286,000–pound axle weight cars. The old standard was 263. So these small railroads inherited this vast array—and we started out, keep in mind that we were at 8,000 miles and we are at 52,000 miles.

So in inheriting all of these well-worn pieces of railroad across North America, the requirement to invest and bring that 263 up to 286 so that they could continue to interchange with the modern equipment and facilities, bridges, et cetera on the large railroads has been our largest task. And we have managed to significantly improve the system through individual investment, through to some degree RRIF loans, and to a very extensive degree the 45G short line tax credit that has been in effect for the last five years.

We expect that it will be passed again this year. That is a tremendous benefit to the small railroads. It permits them to invest in their systems and upgrade these.

So that is a little bit of a windy answer. The bottom line is it is the track upgrade that we really need to ensure that the system is compatible nationwide.

Mr. WOLFE. Mr. Berry, I want to echo what the panel has suggested in terms of a national freight policy, and also within that a strategic freight mobility program at the national level that is coordinated and has priority projects based upon the key gateways and key corridors for freight movement. That is absolutely necessary for our success.

Ms. SWAIM-STALEY. From a state DOT standpoint, I mean, I would echo what the panel has said in terms of flexibility. But I also would like to add that I think when there is new transportation—in any new transportation programs or new transportation authorization, that not only the flexibility for intermodal, but also to encourage projects and participation of projects that are regional, in other words, across state lines.

So many times the funding that we receive as a DOT, you know, it is limited to what we can do within a state. But when you are talking about these kinds of challenges here, in a state like Maryland, we are a small state. You know, anything that we do to improve our freight capability, they really must include partnerships, you know, along the eastern seaboard as well as, you know, to the Midwest. So we would just encourage that kind of approach in future programs.

Mr. BERRY. Thank you, Mr. Chairman.

FREIGHT FUND

Mr. OLVER. Thank you. I now am left with three questions. I am not quite sure which one to take up first. Probably we will have a very foreshortened second and a third, fourth round. So let me ask it this way. I think it was you, Mr. Wolfe, who first mentioned the dedicated freight fund. A couple of other people—I am not sure right now which it was who mentioned that also. But I would like your reaction to what you think we would gain, given how difficult it has been to keep the trust fund going by itself, the trust fund for which it is supposed to cover freight as part of it—how would freight by itself fare in that mix, given the difficulties that we are having raising enough money to do much of anything nowadays? And defend for me what each of you thinks is the merit or demerit of this? Assess for me what it is. And let me start with Ms. Swaim-Staley.

Ms. SWAIM-STALEY. Again, for us, meeting freight needs addresses for us a number of—as I said, across our modes. Not only does it have a positive impact upon our port, for example, but because our transit lines share—they literally share the railroads with the freight line. So anything that we can do to benefit the freight lines and freight movements is probably also going to have a very positive impact upon our ability to provide commuter rail and transit in our urban regions.

Also, of course, we run an airport, so obviously there are benefits that cross there as well. And then, quite frankly, we are a very congested state. So to the degree that we can accomplish a better way to move our freight, it also is going to have a very positive impact upon our highway. So again, for a DOT like the state of Maryland, addressing the freight needs really crosses many of the other priorities that we have as well.

Mr. OLVER. Do you really think it is easier to address the freight needs if you create a freight fund when you are saying that there has to be—you are really saying that out of a need for collaboration and cooperation among the modes.

Ms. SWAIM-STALEY. Which is why, as I said, from our standpoint, what we would like to see in future programs is the same kind of flexibility that has been allowed in places like TIGER, where the states can really have the flexibility to determine which solutions work best for them.

Mr. OLVER. Okay. Mr. Wolfe, we are going to take about 45 seconds each person down the line here. I think we can do that.

Mr. WOLFE. Okay. So——

Mr. OLVER. Maybe a minute, actually. No. Stick with it.

Mr. WOLFE. Okay. The advantage that I see with a separate freight fund is simply that right now we are competing across the different areas. And by separating freight as a specific area of focus, number one is we are able to better prioritize our needs on a national basis and coordinate that through an advisory council that I recommended; and two, that those funds are dedicated specifically to freight. There is not competition for other types of needs, recognizing those needs are still there.

The challenge that we have highlighted is how do we secure the funding for freight. And I do not have a simple answer to that. I think it is a multipronged approach. But I do think that there is value in separating freight from the other national needs.

Mr. OLVER. I really do think you hit on the nut of it, though, is we cannot figure out how to fund transportation in whole. How the heck do we figure out how to do freight since obviously your needs comes from the sense that it has not been well handled up to now, and I agree with you. Mr. Timmons.

Mr. TIMMONS. I think the devil would be in the details on this arrangement. Generally, the railroads have avoided funding per se. We are not in the highway trust fund. We do not contribute to that. We did for some years contribute to reduce the——

Mr. OLVER. But a freight fund would be beneficial to you.

Mr. TIMMONS. I suppose it could be if the details were worked out like that. If we were not contributing to it in some way, but were working with it, I suppose this would be a good thing. [Laughter.]

Mr. TIMMONS. If somehow—and it always seems to circle around that somehow there are no free rides. If somehow we were contributing, certainly we would not like that. We have got enough—you know, 20 percent of the railroads' bottom line for the major railroads, and 30 percent for short lines, of their operating revenues at the end of each year goes into maintenance. And so any other contribution in that regard would be very, very difficult for us to stomach.

Mr. OLVER. Okay. Mr. Johnson.

Mr. JOHNSON. Well, of course, shippers, the major reason shippers would like to see a special fund like that is to keep transportation funds pouring towards transportation to keep our products going to destination on time, on good infrastructure roads and railroad, or highways or whatever.

Secondly, I think a special fund, if you had the funds that were viable for transportation going into that fund revenues, whether it be rail, truck, barge, ocean, whatever it might be, I think you are going to find there is lots of money available there that is being spent for things that should not be spent. So you are going to have more——

Mr. OLVER. Yeah. But you also probably agree that it should not be spent for transit either, would you not?

Mr. JOHNSON. If it is for transportation improvements, yes. If it is in that transportation project passing through.

Mr. OLVER. Transit, passenger transit?

Mr. JOHNSON. Yeah. Well, again, we are a freight shipper. But, you know, it is part of the transportation program of the United States. It is a transportation plan. You need to put it all together.

Mr. OLVER. We are going to give Mr. Lynch a half a minute now. It is down to that.

Mr. LYNCH. Well, our position is fairly simple. If the source of the revenues are highway users, then the beneficiaries of those revenues should be highway users. If we are going to expand the recipients, then we have got to figure out some way to expand the contributors into the fund. And I think the comment was rather eloquent about the railroads think about that.

But not only is it not fair to the highway users, but if there is a shipper who is—you know, if it is Walmart that is using trucks 95 percent of the time for their freight movement, and they are ultimately the ones paying the bill——

Mr. OLVER. Do you have any objection to Maryland's rather comprehensive trust fund?

Mr. LYNCH. No, we do not, provided that the revenues that go into that trust fund are not coming exclusively from highway users.

Mr. OLVER. Well, but we went through that earlier. Their fund is built from a whole series of monies coming from a variety of sources. Mr. Latham.

NATIONAL FREIGHT POLICY

Mr. LATHAM. Thank you, Mr. Chairman. I thought it was interesting in response to Mr. Berry's question, when you talked about having a freight system plan in this country. And tomorrow we have a hearing with each of the Federal Railroad Administration, the Highway Administration, and the Federal Motor Carrier Safety

Administration, the Maritime Administration, and the point witness tomorrow is the Undersecretary of Policy, who is the DOT official supposedly for coordinating that. But now he is also going to be in charge of the livability.

Do you think there is the focus put on a national freight system that there should be? I mean, we have got a lot of diversions going on here of not only the dollars, but of time and commitment, I think. Any comment?

Mr. LYNCH. Well, I think——

Mr. LATHAM. Jump right in there, Tim——

Mr. LYNCH [continuing]. That there should be—and we said it over and over and over again—and the commissions that were set up by Congress clearly recommended that there needed to be a focus on freight and freight mobility. And if there is any federal, true federal interstate commerce function here, it is the movement of goods. People, too, but, I mean, we would absolutely support that.

Mr. LATHAM. It does not seem like with this type of diversion of effort that the emphasis is where it should be, which is absolutely critical as far as freight movement. Yes, go ahead.

Ms. SWAIM-STALEY. Well, I think there is a relationship. Again, in a very urban state like Maryland, that I think where both of the things are very important—and frankly, freight, moving freight through our urban regions is something that we have to do, but still within the context, quite frankly, of sustaining our communities, many of whom are also in those same very old urban regions where we have our freight movements. So I think there definitely are connections in a state like Maryland.

Mr. LATHAM. I mean, they are talking about a different concept than what maybe you are referring to. It is all passenger.

Mr. TIMMONS. But, you know, Mr. Latham, the issue here has been neglected. The national freight plan, there is no such thing. And the problem is a quickly burning fuse into the future. So the railroad industry anticipates that its volumes will increase 60 to 70 percent by 2025. They are paranoid. The industry at large is paranoid about preparing for that bow wave of freight traffic and trying to invest heavily in its infrastructure across the nation. And so notwithstanding this economic slowdown, the burden is still there, and the railroad industry is still, despite the slowdown, investing billions of dollars in their annual capital expenditure in infrastructure upgrades across the country. But I do not know whether we are going to be able to make it in time.

Mr. LATHAM. And you are not affected as much as the major railroads with the short lines. There is a huge apprehension over the increased passenger rail.

Mr. TIMMONS. Yes.

Mr. LATHAM. What effect does that have on freight?

Mr. TIMMONS. In the short line world——

Mr. LATHAM. I would say it is as much for you in the short line, but——

Mr. TIMMONS. That is true. But it is a problem for us. We have got 1,800 miles and 44 small railroads that are affected by passenger or commuter systems. We surprised ourselves when we started getting into that, and we got into it as a result of the unfunded mandates of positive train control, which are $14 billion over the next 15 years or so. We are going to be affected by that.

Now it depends I think to a large degree on what corridors you are referring to when you say is there going to be an impact on freight as a result of passenger. If you are talking about the Northeast corridor, the most heavily trafficked region of the country, there is an awful lot of passenger traffic up there. And when you implement the positive train control with all the freight increases, I think there is going to be an impact.

In other regions, it will be far more manageable.

PASSENGER RAIL

Mr. LATHAM. Do you have any comments as far as—as you increase the passenger rail, obviously you are going to reduce the capacity for freight.

Ms. SWAIM-STALEY. Well, you could on the challenge. I mean, we obviously want to make sure, again in Maryland, that both work. And it is a tremendous challenge because we are trying to increase our transit on our MARC lines, our commuter rails. You can fill the trains as frequently—as much volume as we can put out there. And it is a real challenge to find the balance with our freight carriers. But because we also operate the port of Baltimore, it is also in our best interest to make sure that, you know, in our case, both CSX and Norfolk-Southern are also well served.

So it is definitely a challenge finding that balance. I mean, we need——

Mr. LATHAM. So who has the right of way?

Ms. SWAIM-STALEY. Well, the railroads own our right of way in the state of Maryland.

Mr. LATHAM. No. I mean who has priority?

Ms. SWAIM-STALEY. Well, again, in the case of CSX, they are the dispatcher.

Mr. LATHAM. Between the freight trains and passenger trains.

Ms. SWAIM-STALEY. So for the freight, I mean, again CSX, you know, owns our right of way for much of our MARC line, so they are the dispatcher.

Mr. TIMMONS. In a technical sense. In a technical sense, the passenger has the right of a way. In a practical sense, CSX is the dispatcher.

Mr. LATHAM. Right.

Mr. TIMMONS. So you can figure out who gets priority. Freight.

Mr. LATHAM. Say that again? [Laughter.]

Mr. OLVER. Who gets the priority?

Mr. TIMMONS. The priority in a railroad sense goes to passenger. But the passenger trains are dispatched. In other words, in the railroad industry, there is a control center, and they are the ones who decide who gets priority on the railroad. And so if the system, the leg of railroad, is dispatched by a freight railroad, there are very often going to be freight railroads that get on the tracks first, and the passengers get on when they can. This is a continuing rub between passenger and freight railroads, and it has been so for a long time.

Mr. LATHAM. So passengers have the priority, but in practice it may not always be——

Mr. TIMMONS. It may not always be the case.

Mr. LATHAM [continuing]. Be the case, okay. Okay. I see I am out of time. Thank you.

Mr. TIMMONS. That may be too much candor. [Laughter.]

Mr. LATHAM. We do not get enough of that around here, I can assure you.

Mr. OLVER. All right. I thought that was what you were saying, that while technically they have the priority, that it turns out practically to be that the freight gets it in those circumstances.

Mr. TIMMONS. In many circumstances.

Mr. OLVER. Okay. I thought that was what you were saying, but was not sure. Anyway, we have been abandoned by other than myself and my Ranking Member. So I am going to take——

Mr. LATHAM. And I am ready to leave.

Mr. OLVER. You are ready to leave? [Laughter.]

Mr. OLVER. All right. Well, I will do my couple of questions. And if you do not want to follow up, I will just close, so it will pass on there.

I wanted to just explore. Actually, the authorization for rail relocation has been in place since the SAFETEA–LU authorization passed in July of 2005. While the authorization is quite substantial, as a few pointed out, now $350 million per year—I am not sure whether it was that—it might have started at 250 and gone up from the 250 over time. But in any case, it was not actually appropriated until I came to chair this committee three years ago. And we have had numbers up as high as 35 million, but is what I think the appropriation is in the present fiscal year that has not gone out yet.

TIGER GRANTS

Does the TIGER grant program substitute for that in a situation where—I think it was you, Mr. Wolfe, who pointed out that getting to Chicago takes a day, and getting through Chicago takes a day. There is obviously some problems in movements of freight in major metropolitan areas. Does the TIGER grant take of that? Because each year the administration, whether it was the previous administration of this administration, has proposed eliminating the rail relocation appropriation, though the authorization stays there.

Just quickly, do you think that the TIGER grant is an adequate substitute for that were we to continue—it is not authorized—were we to continue to appropriate there.

Mr. TIMMONS. Well, I think you should keep the rail relocation program, although it has been modest.

Mr. OLVER. It has been modest, and part of it has been earmarked, and part of it has been competed.

Mr. TIMMONS. That is correct. But it has gone to small railroads and large railroads to great benefit.

Ms. SWAIM-STALEY. Yeah. With Maryland, I do not think we would say one replaces the other.

Mr. TIMMONS. No. They would complement.

Mr. OLVER. You would not say one replaces the other.

Mr. TIMMONS. No. They are complementary.

HAZARDOUS MATERIALS

Mr. OLVER. Well, we will see about the authorization. Anyone else want to say something to that one? All right. My last set of comments—and this is the third of the set that I was thinking about earlier. Mr. Timmons, you have pointed out something about the short line system, which is very diverse, that have gone from 8,000 miles to 52,500 miles. Nobody had greater than 263,000 pounds, now some seem to need to go higher. And on the other hand, our major class ones are all probably at the 286, certainly, and there are only six of the American ones and a couple of Canadians who come in.

You also point out in your metrics for your system that five states have no class one, that 10 other states have more than 75 percent of their trackage is short lines.

So it suggests to me is that we have a kind of problem that maybe involves the highway system as well. If you get to going from interstate standards and so forth, and you have to move down through local roads and such, if you were having to do 12-foot lanes and say 8-foot shoulders as a standard that was being imposed all along the way, we would really tie ourselves up in knots. And I am wondering whether the concept of how you get all the way to positive train control—you had mentioned that as a serious problem for the short line system.

Now is there some point along there where you do not even think about train control? Is that only where you have passengers operating on the same systems?

Mr. TIMMONS. Mr. Chairman, this is an enormously complicated problem, but let me just say this about that. Fundamentally, in the simplest sense, positive train control is required for on small railroads that are moving a specific volume of passengers or commuters and for hazardous materials. There are five major hazardous materials that are the focus of positive train control.

Mr. OLVER. How many miles of the present 52,000 miles do we have hazardous materials moving on?

Mr. TIMMONS. It is a moving target. You will have different commodities based on different shippers and different company needs. Now just as a wild guess, I would say that somewhere around 35- to 45,000 miles are going to experience hazardous material traffic. But the further——

Mr. OLVER. Just because some of those mileages are alternates when some other problem has occurred?

Mr. TIMMONS. Some if it may——

Mr. OLVER. Surely we are moving our hazardous material along set routes for the most part, if it is nuclear material or such. But if it is industrial material, they have a specific route they have got to go. It must be possible. Maybe you could provide for us how many of your short line miles are actually having hazardous materials of the five that you say are——

Mr. TIMMONS. We can do that. But the complication—and I am not being evasive here. But the complication is associated with the requirement now of the last two years to route assess every hazardous materials movement on rail, big railroads and small. So we are required to use a specific analytical model before you move this traffic, and try to determine how close it goes to high-threat urban areas or other locations where there are populations of people or schools or something else, and then to try to decide if we can reroute those.

This is an enormously difficult challenge. And so the actual routing will vary depending on a number of conditions.

Mr. OLVER. Well, this whole discussion at this point is giving me a headache, I will tell you. [Laughter.]

Mr. OLVER. But we have had positive train control brought to our attention in a number of instances here, and we know it is a looming problem in the minds—at least in the minds of almost everybody. So I get a headache. Anyway, I have gone into the red by far. I am really taking advantage of my Ranking Member. Do you have any further comment?

Mr. LATHAM. No, I do not.

Mr. OLVER. Then with that, I really want to thank you for laying out the problems for us. And we will see what our other testifiers tomorrow say on what the agencies are thinking about some of the same problems.

Thank you very much for being with us today and for your inputs.

WEDNESDAY, MARCH 17, 2010.

STRENGTHENING INTERMODAL CONNECTIONS AND IMPROVING FREIGHT MOBILITY (INCLUDING THE FY2011 BUDGET REQUESTS FOR FHWA, FMCSA, MARAD, AND FRA)

WITNESSES

ROY KIENITZ, UNDER SECRETARY FOR POLICY, U.S. DEPARTMENT OF TRANSPORTATION

VICTOR MENDEZ, ADMINISTRATOR, FEDERAL HIGHWAY ADMINISTRATION

ANNE S. FERRO, ADMINISTRATOR, FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION

JOSEPH C. SZABO, ADMINISTRATOR, FEDERAL RAILROAD ADMINISTRATION

DAVID MATSUDA, ACTING ADMINISTRATOR, MARITIME ADMINISTRATION

CHAIRMAN OLVER'S OPENING REMARKS

Mr. OLVER. The committee will come to order. Thank you all for being here. The ability to move passengers and freight are core functions of our transportation infrastructure. Our ability to ensure that these functions are accomplished efficiently with minimal losses due to congestion directly impacts the ability of domestic manufacturers to compete in the global marketplace and the price of goods when those goods reach consumers. Yesterday we heard from a panel of practitioners who represent different modes involved in the movement of freight.

Today, we will hear testimony from Roy Kienitz, the Under Secretary for Policy at the U.S. Department of Transportation. Roy.

Mr. KIENITZ. Good morning.

Mr. OLVER. In addition, Mr. Kienitz is accompanied by the administrators of the four federal agencies that are primarily responsible for overseeing the safety and efficiency of our freight transportation network. We look forward to delving deeper into the fiscal year 2011 budget request for each of your respective agencies. Specifically, I want to welcome Victor Mendez, the Administrator of the Federal Highway Administration; Anne Ferro, the Administrator of Federal Motor Carrier Safety Administration; Joe Szabo, the Administrator of the Federal Railroad Administration; and David Matsuda, the Acting Administrator of the Maritime Administration.

With the exception of motor carriers, all of your budget requests are essentially frozen at 2010 levels in the absence of a surface transportation authorization. I will be interested to hear how you intend to support needed improvements in our national infrastructure under those circumstances with the requested resources. In addition, many of our outside witnesses spoke in support of the TIGER grant program established within the American Recovery and Reinvestment Act and acknowledged the need for a grant program that addresses the complex interconnections between modes and supports improvements in freight infrastructure. I look forward to discussing how interagency cooperation occurred on the TIGER grants and how the Department intends to continue this cooperation to support intermodal investments. With that, let me recognize my Ranking Member, Tom Latham, for his comments.

RANKING MEMBER LATHAM'S OPENING REMARKS

Mr. LATHAM. Thank you, Mr. Chairman, and welcome to everybody, the witnesses today on the panel. As I mentioned yesterday, I think we had an interesting hearing last week about livability and sustainability, and truly, I believe we did have some interesting exchanges on a variety of topics under that theme. However, I think there is some real and justified opposition to the administration's proposal to take the scarce, and some would say non-existent, highway trust fund dollars from the states and instead give those funds to community planners. Our witnesses yesterday echoed our concerns. The highway trust fund dollars are desperately needed for road maintenance and congestion mitigation. Not only does our economy depend on the jobs that construction and maintenance supports, but general industry goods, distribution and manufacturing depends on the smooth mobility of freight.

I am also welcoming the opportunity to delve deeper into the budget request from the Rail Administration, the Highway Administration, the Maritime Administration and the Motor Carrier Administration. Those modes represent billions of dollars of federal investment, affect billions of dollars in industry and commerce and touch the lives of pretty much every American. I look forward to the testimony and the questions and answers of the next two hours because I think this will drive home the need to keep highway trust fund dollars for the purposes it was intended by the creators of the trust fund, and perhaps even more importantly, by the expectation of every person who buys a gallon of gas, that these funds will be used to improve roads. So, with that, Mr. Chairman, I yield back.

Mr. OLVER. Thank you, Mr. Latham. Now we are going to hear from Under Secretary Kienitz. Your complete written testimony is in the record, and if you can keep your remarks at this point in the five or six minute range, that will be appreciated and we can get on to the questions from this enthusiastic group being joined by Mr. LaTourette.

Mr. LATOURETTE. I heard you mention me yesterday.

Mr. OLVER. We certainly did. We are always interested in your comments. Mr. Kienitz.

MR. KIENITZ OPENING REMARKS

Mr. KIENITZ. Good morning, Mr. Chairman. Thank you, Ranking Member Latham, Mr. LaTourette and Mr. Rodriguez. Good to see you all again. We have introduced everyone here, and obviously we will all be at your service for questions, but I am going to do the only opening statement. So our main goal here today is to talk about the Administration's approach to freight issues and what this could mean for transportation programs going forward, both in terms of the discretionary actions we might take, and also action by Congress, either through appropriations or a long-term reauthorization. This could end up being a large topic.

When it comes to freight policy, we start where we start with every policy, which is with, first, principles. The Secretary, shortly upon entering office, and actually even before he was sworn in, named a very short list of priorities that he wanted to try to have transportation policy pursued to the degree he could, and that was economic competitiveness, safety, a state of good repair of the existing system, livability and environmental sustainability. So the first question for us is: does an activist role of some kind by the Federal Government in freight policy help advance those goals? I think our answer to that is a resounding yes.

The questions get harder after that, which is, of course, what kind of involvement, either from a policy or a financial point of view, moves us most effectively towards those goals, and where are the most effective policies or expenditures in the freight side to help achieve those goals or where do you leave off and spend your money elsewhere? So that is the sort of balancing question that we are going to spend I think most of today trying to talk about. Development of freight policy is something that has been much talked about in transportation circles for 20 years. The actuation of any such policy, though, basically is constrained by the stovepipe nature of our system.

Highways has a highway trust fund, rail does not have a trust fund, waterways does not have a trust fund, there is transit funding, and each of those categories of funding are limited to expenditures. So the Department has, I think, for a long time wanted to take a broad look at freight policy to figure out where enhancements to the system would be most efficient, but we actually do not have a financing or policy system that would allow us to follow that to its logical conclusion.

So some of the freight transportation modes operate on roadway, public right-of-way, some of them operate on privately owned right-of-way, like freight rail, some of it is privately owned right-of-way where publicly funded passenger trains also operate and you have those conflicts, so, for a variety of reasons that are in the structure of the federal program and just in the ownership structure of our systems, it is very hard to pursue a unified policy. I will just give one example. For example, on the highway side, the last mile to a port or rail terminal is often a big issue. The great growth in freight has been intermodal connections between modes. Getting the containers off the ship, onto the train, off the ship, onto the truck, onto the train, off the trucks, onto the waterways, things like that.

There are often those last mile connections where the stuff has to move on locally owned roadways not on the federal aid system, not eligible for investments by us, but even though they are very short in their extent, they carry huge amounts of traffic. So a lot of the energy lately has gone into these questions of how to connect ships and rail and those things like that, but actually, the highway connection ends up being one of the places where we also have a disconnect between funding and outcomes. Another policy that we have talked some about is imports versus exports. The great rationalizations that have occurred in freight movement over the last 20 years have been largely based on containerization of cargo and the efficient movement of containerized cargo into ports, through ports, onto trains and over long distances across the country.

When you actually analyze, though, what that freight flow is, containerization has been most effective for imports in the United States. It tends to be consumer goods packed in cardboard, put in boxes, put in containers. U.S. exports actually tend to be of a different character. They tend to be huge things, like Boeing airplanes, or Caterpillar tractors, or things like that where we are very competitive in the world market, or they tend to be bulk items, like soybeans, corn, wheat, things like that, or they tend to be very small high value items, like high tech computer chips, or devices, or things like that, and those things sometimes move by container, but sometimes they move by air freight or other methods, and so the investments that have gone in, both with private railroads and port operators, but also through government in rationalizing the container system, have tended to have more of an effect on the efficiency of importing goods and less of an effect on the efficiency of exporting goods.

So a policy consideration that we want to look at going forward is the degree that the Federal Government is going to be intervening in the freight system. Is there a way to do it that is at least on an equal footing for U.S. manufacturers and exporters, as well as importers? I will talk a little bit about how we have tried to operationalize some of these ideas. Obviously the TIGER program has been the big example for us. I think there has been much discussion of livability as a new concept and some controversy over it, and so I think there was an expectation that the great share of the funds from that program would go to livability projects, but, in fact, the largest category of investment we made was in freight rail.

That is because freight rail has been one of those things where large public benefits are available, but where the private actors do not get any return on their investment by creating public benefits. Public benefits meaning fewer trucks on the road, less damage to roadways, less pollution, safer roads, fewer fatalities, fewer accidents. So at some level, if the public wants to achieve those outcomes, we have to be willing, potentially, to invest, so we have put close to $5 million into partnerships with states and private railroads to help improve freight systems on the rail side, and also create connections that are truck to rail, rail to port, things like that.

So the other thing is in our budget request. As you know, Mr. Chairman, we have this national infrastructure innovation fund proposal which I think could best be thought of as the next iteration of a TIGER program, somewhat larger, and our hope would be even more rigorous in its application. We tried very hard, particularly with help from Victor's staff at federal highways who have a lot of the in-house freight expertise, to make the decision-making about freight investments for TIGER funding based on an analysis of freight flows around the country. What we found out is there is a lot of good information, a lot of data and good analysis, but there are huge gaps in the information and huge gaps in our ability to do the analysis.

If we are going to have these types of authorities going forward to make these investments, we want to be able to do it in a rigorous, defensible way. I think we did that within the limits of the information that we have. Then the final thing I will say is that one of the other principles we need to follow is shared systems. The good news is most of the freight in the U.S. moves over shared systems. It moves over waterways that are shared for other purposes, it moves over freight rail tracks that are shared for passenger purposes and it moves over highways that are shared for passenger purposes.

What that means is that any time you do an intervention on one of those systems you can say you are going in to do a highway project for the purpose of freight improvement, but that same investment could hugely change the dynamic of passenger movements in a way that either crowds out the trucks, or the trucks are crowding out the cars, or you are creating benefits for freight and disbenefits for passengers or vice versa. The same thing is true on the rail system. Because we are picking the low hanging fruit with high speed rail and freight rail right now, I think we are fairly confident the investments we are making, both in the high speed rail program and in the TIGER will help passenger movements, and passenger investments will help freight movement.

There are places where that is not true, where you do one type of investment and it advantages passenger travel and disadvantages freight travel and vice versa. I know the private railroads are very concerned about that. That makes our analytical task that much more difficult because there are various types of benefits you can have, and you cannot have them all, and so you need to trade them off against one another. So I think those are some principles we are trying to bring to this. We see as a long-term value here not necessarily for a separate freight investment program, but rather making freight projects of all kinds eligible for flexible investment dollars at the federal level. We think there are real benefits to be gained there. So I think that is a good summary of our approach, and I will leave it to your questions at this point. Thank you.

[The information follows:]

STATEMENT OF
ROY KIENITZ
UNDER SECRETARY FOR POLICY
U.S. DEPARTMENT OF TRANSPORTATION

BEFORE THE

COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TRANSPORTATION, HOUSING AND
URBAN DEVELOPMENT, AND RELATED AGENCIES
U.S. HOUSE OF REPRESENTATIVES

STRENGTHENING INTERMODAL CONNECTIONS AND
IMPROVING FREIGHT MOBILITY

MARCH 17, 2010

Chairman Olver, Ranking Member Latham, and Members of the Subcommittee:

Thank you for inviting me to appear before you today to discuss strengthening intermodal connections and improving freight mobility. I am joined here by my colleagues from four key modal administrations at DOT –Victor Mendez from the Federal Highway Administration (FHWA), Anne Ferro from the Federal Motor Carrier Safety Administration (FMCSA), Joe Szabo from the Federal Railroad Administration (FRA), and David Matsuda from the Maritime Administration (MARAD), which jointly play a key role in improving the infrastructure, operational efficiency, and safety of the freight transportation industry.

Secretary LaHood has decided to focus on five key strategic goals as priorities in our national transportation policy – safety, economic competitiveness, state of good repair, livability, and environmental sustainability. Our policy on freight transportation grows out of our focus on these five key strategic goals. We want a freight policy that will allow us to target our investments on projects that are most effective in allowing us to achieve these goals.

Unfortunately, our national transportation policy has often failed to target funding toward investments that will be most effective in achieving these goals.

Developing an effective freight transportation policy has been hampered in the past by the "stovepiped" approach to transportation funding that is written into our transportation authorizing statutes. Expenditures for each freight transportation mode are generally dependent upon the revenues produced by each mode's separate trust fund. Some modes have no source of public funding at all, even when investments in those modes would produce substantial public benefits. The result is that a truly outcome-oriented transportation investment policy – where the outcomes include the strategic goals I mentioned earlier – has been impossible, because investments have been dictated by where the funding came from, rather than where the investments could have the greatest impact on the desired outcomes.

Some of our freight transportation modes operate on publicly-owned rights-of-way, while others operate on privately-owned rights-of-way. Some rely for their investment revenues entirely on payments by users, while others rely on a mix of user charges and general fund tax revenues. Private-sector modes like railroads that rely primarily on user charges inevitably must charge their users higher prices to produce the revenues needed to provide investment funds. This in turn generates pressures for more stringent rate regulation, which unfortunately would adversely affect needed infrastructure investments. Privately-owned carriers that are responsible for building and maintaining their own infrastructure inevitably take a more cautious approach to investing in infrastructure expansion, since those investments become a fixed charge on their balance sheet that must generate a sufficient flow of income to offset the expense. Underinvestment in privately-owned infrastructure compared with publicly-owned infrastructure can produce system performance deficiencies in the intermodal movement of freight.

Whether freight infrastructure is publicly-owned or privately-owned, it produces a mix of public and private benefits. Shippers and other customers of the freight transportation system derive private benefits from freight transportation, and the Nation as a whole derives public benefits from our freight transportation infrastructure, whether that infrastructure is publicly or privately owned. Freight that moves on more energy-efficient modes – whether the right-of-way is publicly or privately owned – enhances our energy independence and reduces adverse climate change effects. Freight that moves on a lower-cost right-of-way – whether publicly or privately owned – enhances our economic competitiveness by preserving capital for hiring and additional capital investments. The most sensible freight transportation policy will be one that directs transportation infrastructure investment to where it will have the greatest impact on our desired outcomes, regardless of whether those modes are publicly or privately owned, or whether they have their own source of trust fund revenues.

Moreover, even when funding is available for freight transportation projects, the project selection process may give less priority to some projects that would be appropriate in meeting the Nation's strategic goals. For example, intermodal freight connectors can be a valuable part of our Nation's transportation system, providing critical connections between our ports and rail systems and the highway network that is usually needed to deliver freight to its final destinations. Intermodal freight connectors are often short, averaging less than two miles in length, and constitute less than 1 percent of the total highway network. They are often local – county or city streets – that generally have lower design standards than mainline highway routes.

They get a lot of wear and require more frequent maintenance. They serve heavy truck volumes moving between intermodal freight terminals and the mainline highway network, primarily in major metropolitan areas. They typically provide this service in older, industrialized, and other mixed-land-use areas where there are often physical constraints or undesirable community impacts. But because intermodal connectors are often quite short, and because local planning agencies may not be aware of their role in the larger transportation network, they are often overlooked in the planning and funding process.

The Obama Administration, with the help of this Committee, has taken several steps to work toward a more effective freight policy. First, we articulated the transportation goals that we are trying to achieve – enhancing economic competitiveness, advancing safety, improving the state-of-good-repair of our infrastructure, fostering livable communities, and achieving environmental sustainability. Second, the Recovery Act (thanks to this Committee) provided us with the opportunity to carry out a program of discretionary surface transportation infrastructure grants – which we called "TIGER Grants," that allowed us to target our transportation infrastructure investments on projects that would most successfully advance these goals. Third, in awarding these TIGER Grants, we required applicants to provide the best economic analysis available on how their proposed projects would actually advance these goals, so that we would have some assurance that the projects we selected would actually achieve the goals we laid out. Fourth, we have taken advantage of other statutory authority, such as the TIFIA program and the Private Activity Bond program, to provide funding for other projects that achieve these goals by improving intermodal freight connections. Finally, we have proposed carrying this approach forward into the future, both in 2010, with the $600 million National Infrastructure Investments program, and in 2011 and subsequent years with our proposed National Infrastructure and Innovation Finance Fund.

The TIGER Grant Program allowed us to fund a number of worthwhile freight projects that in some cases would not have been eligible under existing federal programs. In New Bedford, Massachusetts, for example, we are funding the replacement of two badly deteriorated freight railroad bridges that are part of the intermodal connection between the Port of New Bedford and the Nation's freight railroad system. In Chicago, we are funding part of the CREATE project, which will have a nationwide impact on freight flows by streamlining the freight connection between western railroads and eastern railroads in the City of Chicago. In California, we are funding a critical interchange near the Otay Mesa Port of Entry at the Mexican border, which is the largest freight border crossing between California and Mexico. In Michigan, we are funding the reconstruction of the Black River Bridge, which carries a substantial portion of the Nation's trade with Canada near the international crossing over the St. Clair River. In Mississippi, we are funding the Gulfport Rail Intermodal Improvements project. And in Rhode Island we are funding the redevelopment of the Port of Davisville on Quonset Point. Altogether, about $555 million – over one-third of the funding we provided – was for primarily freight projects. This is in addition to over $275 million in highway projects that will benefit both freight and passenger transportation.

We have also made use of TIFIA funding to support investments in freight transportation projects. Two years ago, for example, we provided a $341 million loan for the Port of Miami tunnel, and we have also provided a $66 million loan for the Louisiana State Route 1 reconstruction project that plays a critical role in supplying Gulf of Mexico oil platforms. The Private Activity Bond program authorized in SAFETEA-LU has also allowed us to support two rail-trucking intermodal facilities in Illinois that will streamline the intermodal connection between rail and highway movement of freight.

In carrying out the TIGER Grant program, we required applicants to explain clearly – and, if possible, measure – how their proposed project would achieve the goals of the program. For larger projects, we required a full benefit-cost analysis. This has allowed us to target our funding toward the projects with the greatest payoffs. We estimate that the National Gateway Freight Rail Corridor, for example, will have benefits equal to almost six times its costs. The CREATE project will have a similarly high ratio of benefits to costs. This analysis requirement increases the confidence of the American people that their funds will be well-spent. While some project applicants had difficulty in complying with this requirement, we were impressed with the quality of the analysis that many of these project applicants provided. We believe that this requirement for economic analysis of proposed projects is essential to ensuring that the investments we make have the greatest possible impact on achieving our goals.

We are currently developing the guidance for the National Infrastructure Investments program funded in the FY2010 appropriations act. This program has somewhat different requirements from the TIGER Grant program, so the guidance will be revised to take into account those new features. But the central focus of this program will remain the same – an outcome-oriented, performance-based program that focuses funding on investments in whichever modes are most effective in achieving our national transportation goals, and that relies on the best economic analysis and professional judgment available to identify projects that promise the biggest returns on our investment. Similarly, the National Infrastructure Innovation and Finance Fund that we are proposing in our FY2011 budget request would provide funding for projects in whichever mode of transportation allows us to achieve our transportation goals in the most cost-effective way. And it will base its project selection on economic analysis to ensure that we get the maximum possible return on our investment.

The Obama Administration will continue to seek better ways to use freight transportation investments to achieve our transportation goals. One feature of our freight transportation policy that we will continue to emphasize is the reliance on partnerships between the federal government, state and local governments, and private sector partners. Our TIGER Grant projects typically were funded partly from state and local grants, partly with federal grants, and often with private sector investments as well. These partnerships are based on the concept that the private-sector user of such facilities pays for the portion of the project that returns private benefits, and the public sector funds the portions of the project that produce public benefits (in terms of reduced congestion, pollution, noise, and delay). The Crescent Corridor and National Gateway projects are excellent examples of public/private partnerships, in which the private railroads have made substantial investments.

Since intermodal facilities carry flows of privately-owned freight, seeking contributions to the cost of their improvement from private users can prove an effective strategy. In the TIFIA and

Private Activity Bond programs cited above, the Department of Transportation provided loans or provided authority to borrow private funds at tax-exempt interest rates. These loans were repaid with revenues from users. This model can be equally effective on a state or local scale. A public entity (perhaps a port, a public terminal operator, or a local jurisdiction) can make funds available and assume most or all of the business risk of an investment in improvements to a freight facility. Users will pay the investment back through charges based on the volume of freight moved. Perhaps the most familiar example of this strategy is the Alameda Corridor, a rail link between the ports of Los Angeles and Long Beach and the national rail network. The corridor was funded with a mix of bonds, direct funding from the ports, and Federal and state contributions. All containers moving on the corridor are assessed a fee which is used to cover dispatching, maintenance, and bond repayment costs.

A less familiar example is the Shellpot Bridge, south of Wilmington, Delaware. This bridge is on a freight rail route that bypasses downtown Wilmington and provides access to the Port of Wilmington. When the owner of the bridge, Norfolk Southern Railway, was reluctant to spend scarce capital funds on its rehabilitation, the State of Delaware agreed to make the money available – if the railroad would agree to pay a toll charge for each railroad car using the bridge. Five years into a 20-year agreement between the State and the railroad, more rail cars than anticipated are moving over the route, and it appears the State will recoup its investment with interest. Meanwhile, the railroad pays a per-car charge, rather than having to add the cost of the bridge to its capital investment base – thus converting a fixed charge into a variable cost.

One troubling problem is the need for better freight transportation data. The outcome-oriented, performance-based approach to transportation investment that we have emphasized relies on good freight transportation data to make possible the economic analysis of the benefits of freight transportation projects. At present there are major gaps in freight data availability. For example, imports and exports are recorded in the Journal of Commerce's PIERS (Port Import/Export Recording Service) database, but inland movements of imports are not tracked separately. Data are lacking on many truck movements within metropolitan areas. Records of freight moved by rail in intermodal service often identify commodities as "FAK" (freight, all kinds) without further detail. The Commodity Flow Survey, on which we rely for data on freight flows, doesn't cover some categories of freight, and has too small a sample size to provide detailed commodity-specific data for many metropolitan areas. Without good data on freight movements, it is difficult to distinguish good freight projects from bad ones.

We also plan to make more extensive use of information technology to improve the performance of the freight system. For example, we monitor the speed and travel time reliability of two-thirds of the Interstate System through a cooperative arrangement with the trucking industry through which we receive GPS data from over 500,000 trucks. We are working with shippers in Kansas City to minimize unproductive truck traffic in their urban core through a pilot program that improves information sharing. Information technologies can allow freight connectors to be used more efficiently by allowing drivers to be informed of gate queues, railroad crossing closings, road conditions and delays, best route information, and the availability of loads. Information exchange has been a key element in the success of intermodal transportation. The efficient exchange of shipment data between carriers at transfer points is as important as the hand-off of the cargo itself. The internet is evolving as a popular tool for gathering and providing information on container shipments. Websites such as "eModal" and "First" can increase freight mobility on access roads to ports by sharing information with harbor truckers on congestion areas, road closures, and container availability for pick-up. One port provides real-time surveillance video of its gate on its website so truck dispatchers can gauge the waiting time at the gate. A substantial amount of truck traffic to and from intermodal facilities is picking up and returning empty containers. The internet can be used to directly connect an importer with an exporter in need of an empty container. This allows a trucker to deliver an empty container directly to the exporter after unloading its contents at the importer's warehouse, eliminating the intermediary truck trip to the container depot.

ITS is also being deployed to help carriers and shippers track shipments on intermodal connectors. Improved information on the location of cargoes can help shippers and consignees manage inventories to reduce costs, improve en route cargo security, and help government to make more effective decisions on transportation investments.

We are also working to reduce the adverse environmental and livability impacts of freight movements. As the volume of freight movements grows, noise, vibration, and pollution impacts on adjacent communities will become more severe. Too often, local communities feel that they are exposed to all the negative livability impacts of freight movements, while many of the benefits accrue to freight shippers and communities elsewhere. Recent controversies over the siting and operation of highway/rail waste transfer facilities and intermodal terminals in several states have brought this concern into sharp focus. Carefully targeted investments in freight infrastructure can reduce impacts on local communities, as well as improving environmental sustainability by enabling cargo to move on more fuel-efficient modes such as rail and water.

The Maritime Administration has developed "Marine View" (or "MarView"), an integrated data-driven environment that provides essential information to support the strategic requirements of the U.S. Marine Transportation System. MarView provides the ability to fuse data to create models and simulations for scenario planning in the event of a crisis and provides the ability to run economic impact scenarios, on-demand forecasting, as well as capacity planning and mitigation strategies to react to emergency situations. With over 2500 links to transportation data sources, MarView can quickly provide data to enhance economic decision-making for transportation planning.

Better information on freight flows, targeted improvements to intermodal connectors, and the use of information technology to limit bottlenecks and speed freight flows can benefit planners, shippers, and communities alike. The goal of our efforts is a system of freight movement that is more economically efficient, more environmentally friendly, and more sustainable than the one we have today.

I also want to mention Secretary LaHood's effort over the last couple of months to engage a diverse range of freight stakeholders through the Department's Surface Transportation Reauthorization Outreach Tour. One recurring theme of these discussions has been that the effective and efficient movement of freight is a critical element in promoting and sustaining regional and national economic competiveness. As participants have highlighted, while freight policy has been a significant issue in America since the days of President Lincoln (when the first railroads were being constructed to connect communities and economic markets across the country), today we are faced with a new set of freight-related challenges that must be addressed in order to secure our economic competiveness.

As noted by virtually all these stakeholders, a coherent federal freight plan must be developed that addresses these issues – including aging infrastructure, increased congestion, growing long-term port demand, and climate change concerns. However, as they have pointed out, a robust freight plan alone will not suffice; rather, increased flexibility in terms of funding mechanisms is needed to allow us to take action. As one participant noted, while the recent TIGER Discretionary Program has provided substantial federal funding for vital freight projects, in general freight is left out of traditional funding structures. Thus, the question now is how the freight funding momentum generated by the TIGER awards will be maintained going forward. Freight stakeholders emphasized the need to ensure a continuing funding stream for the full range of freight transportation projects, and continued encouragement of public-private partnerships within the freight sector.

In addition to these outreach sessions, the Secretary hosted a two-day Port Summit in San Diego to hear directly from the Nation's Port Directors on transportation policy issues that affect our port system and freight movements. The Summit provided a forum to discuss specific port development issues and the upcoming transportation reauthorization. The results of the Summit are now being formalized into policy recommendations.

While this hearing does not focus primarily on these agencies' budget requests, I do want to highlight a few of the key priorities in their proposed budgets.

- As part of the Department's Livability Initiative, for example, FHWA's budget provides $200 million in highway funding for a competitive livability program to assist states and local and tribal governments in integrating transportation, land use, and conservation of natural resources in urban and rural communities.
- FMCSA will spend $13 million on a new operating enforcement approach – Comprehensive Safety Analysis – to improve the allocation of resources to enforcement, monitoring, and training. This includes $7 million for increased staffing for safety enforcement and compliance operations.

- FRA will provide $1 billion for high-speed passenger rail and $1.6 billion for Amtrak – while these expenditures are targeted at passenger rail, they will expand the overall capacity of the rail system and benefit freight rail as well as passenger rail.
- MARAD will administer $57 million this year to fund start-up marine highway services. These funds will form the basis for development of a Marine Highway Program to complement other transportation modes, increase transportation efficiencies, and enhance the environment. MARAD is also administering $120 million in TIGER Grants to improve port efficiencies, including the movement of freight through the ports and along America's Marine Highway.

We would be happy to respond to any questions that you have either on freight issues or on the budgets of these agencies.

Mr. OLVER. Well, it was a good summary. I think a very complicated summary. It will take a while to think about this while we are supposedly having a budget hearing one gets right back into the policy issues that are up there. I will respond to that in kind, I guess. Yesterday we had our panel of witnesses and there were people there from trucking, rail, ports, manufacturing, they were all there, and we had a state DOT head here who had to cover all of those issues in her portfolio as well. There was a strong sense that there needed to be additional federal investment in large scale, big ticket, multimodal projects, which they strongly supported the TIGER program as it was, and would like to see more there. I am really beginning to be sold on that idea.

TIGER GRANTS

Of course, I like to do infrastructure in any case. They all had a lot of positive things to say about the TIGER program that was funded in the Recovery Act. With that aside, though, federal funding is directed to modal agencies which arguably have a very narrow investment focus, as you indicated, and then you indicated that there are some huge gaps in the data and information denoted really to make different decisions and to work out of a whole. I think freight has not been dealt with in as broad a way as highways and rail passenger circumstances, which have been under federal transit's bay as opposed to the freight aspect.

Given this environment, would you expand on the challenges that exist—you mentioned the last mile issue which really rings a bell with me, that business that we have our Class I railroads who are building major intermodal centers sometimes 30 or 40 miles away from where the major port, for instance, is. That business of getting stuff from port to wherever those intermodals are, how do we get it, and what, specifically, is going to be able to deal with that? It lays out that old comment that it takes one day to get from the coast to Chicago and then one day to get through to Chicago. What are we going to do in order to correct that kind of thing?

Mr. KIENITZ. I will speak to this and then others may want to as well. Maybe Joe will. I would say first it is very case specific, and so I would hesitate to offer a generic solution to that kind of an issue. You know, I have experienced, for example, in the City of Philadelphia with the freight railroads, the tracks actually go right down to the port. The gap there is that the port is not properly developed, and so there is all of this rail capacity and a lot of space that you could use to get stuff in and out, get it onto the trains and never have the trucks go on public roads. Very efficient. The gap is on the port development.

Mr. OLVER. Did you give in the TIGER grants any grant solely for expanding port facilities to correct that kind of a thing, as you have described it in the Philadelphia case?

Mr. KIENITZ. Not precisely, although the California grant actually is an interesting take on this. What they wanted to do is instead of trucking commodities from the Central Valley of California over the highways to the Port of Oakland, they wanted to put them on barges in the river system, round them to the Port of Oakland on water, and tranship there for export overseas. The distance is 100 miles or something like that. So, once again, it is a very case specific thing because the river system there is very navigable and so that is a good solution in that matter.

We got a bunch of applications, I know, along the Mississippi River for various truck or rail-based transfer points to get grain and other commodities on and off the barge system, but part of the issue there was there were 12 places all vying to be the place where you come to tranship your grain, and so then how do you choose from among those? Is one state more worthy than another, or one project more worthy than another? That is a very hard type of decision to make. The concept is a good one, but the playing of favorites is a hard thing. With the port business, too, the port authorities all come here to town and say we are all a united group, but in reality they are fierce competitors. They are fiercely competing to get the ships to come to their port and not the other guy's port, and at some level it is hard to——

Mr. OLVER. Well, we cannot have the infrastructure needed at all ports for all people, for all places.

Mr. KIENITZ. Right.

Mr. OLVER. Somewhere, decisions are going to have to be made.

Mr. KIENITZ. Yes. You know, the Panama Canal expansion is occurring, so by 2014 the theory is you are going to have much, much wider, deeper, larger ships, many more containers, and the theories of economics will argue instead of taking the ship to L.A. and unloading it, it is going to be more cost-effective to send the huge ship through the Panama Canal and then dock somewhere in the Gulf Coast or the East Coast for cargo that is bound for the central and eastern United States. So there are probably 10 ports on the Gulf Coast and the East Coast, all of whom believe that they should be the post-Panamax's center for the cargo, for the movement all over the eastern United States. Perhaps one of them one day will be. They will not all be. So that is a very hard thing for us. Should we intervene in that dispute or should they compete with one another to offer the best service to the provider?

Mr. OLVER. Thank you. Mr. Latham.

HIGHWAY TRUST FUND REAUTHORIZATION

Mr. LATHAM. Thank you, Mr. Chairman. We talked a little bit about reauthorization of the highway trust fund. Mr. Mendez, and your Secretary, and, I might add, your Under Secretary here today, have taken quite a beating recently since the budget was released in February for the Department's lack of initiative and cooperation when it comes to putting forth a highway reauthorization proposal. When we spoke last month, and in the Under Secretary's testimony today on page 7 it referenced the Department's Surface Transportation Reauthorization Outreach Tour.

When we spoke, I figured you were touring in preparation of submitting a reauthorization proposal. Unfortunately, the Secretary has made it clear that no proposal will be forthcoming from the Department. We can tell you what is needed because it seems like every group and constituent I meet with, both here and back home, and I am sure it is the same way for everybody else on the subcommittee here, they are telling me that we need a reauthorization and need solvency in the trust fund. Quite honestly, I do not know if we needed to travel too many places. I think it is pretty obvious what the need is. How many listening stops have you made to get input on the reauthorization program?

Mr. KIENITZ. We have done three so far: New Orleans, Louisiana; Minneapolis, Minnesota; Los Angeles, California. A couple more are under discussion.

Mr. LATHAM. Okay. Where does the money come to do all the tours?

Mr. KIENITZ. From the Department's budget. I confess. I do not know exactly which line item.

Mr. LATHAM. Is it out of the trust fund?

Mr. KIENITZ. I do not know. I do not think so.

Mr. MENDEZ. Yes. We have supported at least one of the——

Mr. LATHAM. Microphone.

Mr. MENDEZ. I am sorry. Excuse me. I know within federal highways we have supported at least one of the tours. I do not know that we supported all of them.

Mr. LATHAM. Okay. I think probably for the record I would really like to see some kind of a breakdown of where the expenses for those have gone and where the money comes from, and, if we could, I would very much like to see that. I think one thing interesting, and we have had a discussion here about, you know, livability planning and those type of things going on and on for weeks here, but in August of 2007, the Interstate 35 West Bridge collapsed in Minneapolis and bridge safety became a huge priority for Congress, the Department, the highway administration. This committee provided an additional $1 billion in spending solely for bridge safety and repair. Can you tell me what the status of that $1 billion, and, you know, how many bridges have been brought to an acceptable safety level with that?

Mr. MENDEZ. Well, I do not have the exact numbers with me. I certainly can provide them to the committee here in the future shortly. We did undertake through our processes, in coordination with the state DOTs—you will focus on the bridge issues. As you mentioned, when we had that big collapse there was a big focus on bridge safety. I can tell you at that point in time, I happened to be in Arizona as the state DOT director, and clearly, we did everything we could to move forward on the bridge safety inspections, the inspection process. We also at this point in time are reviewing the bridge safety inspection process and also coordinating with the National Transportation Safety Board on some of those same issues.

Mr. LATHAM. Okay. So you would say that bridge safety is a highest priority and funds should be used in that regard, is that correct?

Mr. MENDEZ. Yes, sir, safety is our number one priority at the Department.

Mr. LATHAM. Okay. In the budget request they propose to skim off a percentage of the highway funds from each state, and according to the Budget Office, $36.6 million would be removed from the bridge program in fiscal year 2011, or almost 20 percent of the total livable communities fund for community planners. Is this a higher priority than bridge safety?

Mr. MENDEZ. Well, let me just address that. As you mention, $200 million from the highway component. Livability, as you know, is a high priority for the administration. I can say I do not want to minimize the value of $200 million. We do believe it is modest when you look at the overall funding, and so we are simply asking for support to advance that administration priority.

Mr. LATHAM. I mean, my question, is that a higher priority than bridge safety?

Mr. MENDEZ. Well, again, I think it is important for us to be able to advance a new priority for the administration. Certainly, we are not minimizing the importance of bridge safety. We will continue to focus on that, and we are not giving up on bridge safety. No, sir.

Mr. LATHAM. I see I am out of time. Thank you, Mr. Chairman.

Mr. OLVER. Ms. Kilpatrick?

TIGER GRANTS

Ms. KILPATRICK. Thank you, Mr. Chairman. Good morning. I want to go back to the TIGER grants just a bit.

Mr. KIENITZ. Yes, ma'am.

Ms. KILPATRICK. I do not know if that is the first round or second. That is the first round. Right. Several proposals submitted, and I did see the list and how they were distributed. A couple of areas got the large grants, other areas got a small piece. I come from Michigan so the waterways are international with Canada, and the infrastructure left from the auto industry that includes an international bridge, and a tunnel, and the railroads, and all of those kind of how we send our TIGER grant in. We were not awarded that. We did get a small piece of something else, and we thank you for that and much more.

I hope this committee will put more in TIGER grants, as has been proposed by the Executive Office, so that we can do more of those because I really believe that those grants directly to those used for government can be the difference in rebuilding America and putting people back to work. That is real important on that. Now, does the Department plan to create a more direct grant that will just be targeted at freight rail? When I came in we were talking freight rail. Is that going to be a priority as we move more goods and services? Is there a need for that?

Mr. KIENITZ. Thank you, ma'am. I think our approach at this point really is that the lesson of the TIGER grants is that if you take the strictures off and say this is not money directed at any particular use, it is to achieve our goals in the most cost-effective way possible, turns out that the freight projects compete extremely well, but they should have to compete. Everybody should have to compete. That is what creates the upward spiral, the upward pressure to get, you know——

Ms. KILPATRICK. I am glad to hear you say that. I want to see the competition. I think you get the better products when you compete, and everyone comes together intermodally, by the way, that would make that competition real and valuable to the people who live in those areas. That is why I think the TIGER grant was very creative. In our situation, the businesses and the private, as well as the nonprofits and the cities that are involved in that, put together a real good application, and we are going to be working with you to see what we can do better by that. Thank you for what you have done.

Mr. KIENITZ. Absolutely.

Ms. KILPATRICK. Also, what did get a TIGER grant is a project, eight mile light rail down a main business thoroughfare that has a public/private partnership. One of the FTA administrators were in my district. I was here and could not be there, but he came to say that public/private partnerships had not proven to be effective in this regard. I was not sure what that meant, and I was not at the meetings. The staff reported it in their memos and conversation to me. Are public and private partnerships, I do not want to say more efficient, but valuable, and in what cases more so than others? Should we be looking at that as well?

Mr. KIENITZ. Yes, ma'am. Obviously, I am very familiar with that project, and the Secretary, you know, that was a decision that he personally made.

Ms. KILPATRICK. Say his name for me, please.

Mr. KIENITZ. Secretary LaHood.

Ms. KILPATRICK. Not the Secretary.

Mr. KIENITZ. Peter Rogoff.

Ms. KILPATRICK. Yes. I want to meet with him.

Mr. KIENITZ. Transit administrator. Okay.

Ms. KILPATRICK. Yes, transit administrator.

Mr. KIENITZ. I will tell him that.

Ms. KILPATRICK. Please. I would like to have follow-up in my office. I like how he presented himself and the information. To prepare for the future, that is what we need to know. That is why I am asking now. What kinds of things are better, and how do we proceed?

Mr. KIENITZ. Right. I think the issue there, obviously there is a real partnership certainly in the development of the first phase of that project. It is a financial partnership. I think part of what Mr. Rogoff wants to understand is what the operating partnership will be. I think their experience is that having a single operator who is responsible for everything that goes either well or poorly in operations is a more effective and accountable system. I know that there has been some discussion over who is going to be the operator of that project once it eventually gets built.

Ms. KILPATRICK. There have been several.

Mr. KIENITZ. Right. I guess I am not quite current the last week or so.

Ms. KILPATRICK. I should say normally the settlement is closed.

Mr. KIENITZ. Yes. So I think he has expressed some issues about that. I think the financial partnership and the commitment of the civic community, the philanthropies, the business community, that, I think, is part of what convinced Secretary LaHood that this was: (A) a real priority of the community generally; and (B) something that a lot of people had their money riding on and would want to succeed, and so that that would really create the pressure to make it work.

Ms. KILPATRICK. I see. So that 20 percent partnership to help get our 20 percent that is required is okay. The operation of it should stay with the public entity whose most of the line required.

Mr. KIENITZ. As a general matter, I think I should probably leave it to Mr. Rogoff who understands the details of those rules better than I do. I would not want to speak out of——

LIGHT RAIL

Ms. KILPATRICK. Okay. I would like to speak with him on that. Then, finally, in as much as we are late, every other metropolitan area in the country has a light rail system of some sort. We are trying now to move to rapid rail, which is what the President is supporting in the corridor, and we believe that we have that with the infrastructure, again, left by the auto industries, and the port, and the tunnels, and the bridges and all of that. Mr.—what is his name again?

Mr. KIENITZ. Rogoff.

Ms. KILPATRICK. Rogoff. Right. I have got to write that down. Said that we needed a rail person, people who specialize in this, who has helped other areas of the country bring their rail to fruition. What type of person is that? Is that specifically? I agree with that, by the way. I totally do. We do not have that initiative, and we need to have that. I tell this to the Secretary all the time. Our MPO is antiquated and inefficient. There has got to be another way to do this. Having a rail person specifically. The MPO is broader. I think you need that for the kinds of projects that we are talking about. It certainly has become one of the right-of-ways that the President is talking.

Mr. KIENITZ. I will make two points and perhaps let Joe talk about this a little bit. Just on the light rail, commuter rail side, there are definitely some agencies out there that have become real experts in doing project development, like Seattle, and Los Angeles, and Salt Lake City and Denver, who have done a lot of it.

Ms. KILPATRICK. Houston?

Mr. KIENITZ. For folks who are going into it for the first time, we try to help create those partnerships to get the folks who have done it in other cities to try to help out. I know on the passenger rail side that has also been a little bit of an issue in Michigan, not just in the Detroit area. Maybe Joe could speak to that a little bit.

Ms. KILPATRICK. Come in closer, Joe.

Mr. SZABO. While I think in your case you are talking about light rail, certainly, when we have been talking about high speed rail, passenger rail——

Ms. KILPATRICK. That was the question, light rail to high speed rail. We want high speed rail.

Mr. SZABO. Sure.

Ms. KILPATRICK. That is the order of the day.

Mr. SZABO. I think the key point is that the different DOTs have different levels of expertise. It depends on their history and their past commitment to rail. Certainly, as rail moves forward as a priority, there is the need to elevate the level of expertise in many DOTs. You can go on the internet and look up the rail division of one particular state and find about 65 employees assigned to their rail division and go take a look at their neighboring state and find half the employees assigned to the rail division, and so it kind of runs a very wide gamut. A key part of what we are trying to do in the preparation of our national rail plan is capacity building.

Frankly, that is capacity building for all of us. For the FRA, as well as for the state DOT. As we look to rebalance our transportation network, it is important that the DOTs also take a look at rebalancing their resources, and how they choose to allocate their priorities inside the DOT. So if you want rail to be a priority, sometimes you need to make those adjustments at——

Ms. KILPATRICK. That last part you said was most important. That first part was University of Michigan 101. I do appreciate it. Thank you.

Mr. OLVER. Thank you. Mr. LaTourette.

Mr. LATOURETTE. Thank you, Mr. Chairman. Is it your intention to have more than one round?

Mr. OLVER. Yes.

BICYCLE AND PEDESTRIAN POLICY

Mr. LATOURETTE. Okay. Good. Because I wanted to talk to Administrator Szabo about positive train control and Administrator Matsuda about short sea shipping, but I have been sidetracked by a news flash and I really got to check it out. There is an article today in BNA that indicates, and apparently it is on your FHWA blog and the headline is called Fast Lane, I will try and get a subscription, but it says that LaHood declares bicycling, walking, as equal to motorized transportation. I got two questions. One, is that a typo? Two, if it is not a typo, is there still mandatory drug testing at the Department?

Mr. KIENITZ. I will respond to that. Not a typo. Yes, there is mandatory drug testing, and I have had mine. For many years the Department has had a document called a bicycle and pedestrian policy. That document has been under revision for some months, and the revised version was released. The Secretary maintains the blog, and so every couple of days there is a new item on there of something he has been doing. As you know, this is something he is passionate about and so there is a long posting on there about that.

I would say that the import of the document is it is not a regulation and so it is not some mandatory requirement. You know, the states are still in charge of expending formula funds in the way they have been before. I think it is an expression of his oft stated, in front of this committee and certainly many others, view that the Federal Government should not take the position that roads and trains are real transportation and walking and biking are not. I think his view is it is all real transportation and we should consider it based on what benefits it can bring for the amount of money we spend.

Mr. LATOURETTE. Well, listen, I totally agree with that position. Where I think I am taken aback and sort of breathless today is that he declares it equal to those other modes of transportation. So today's hearing is titled Strengthening Intermodal Connections and Improving Freight Mobility. So is it his thought that perhaps we are going to have like rickshaws carrying cargo from state to state or people with backpacks?

Mr. OLVER. That is what they do in Chicago.

Mr. LATOURETTE. Well, sure. That is why it takes a whole day to get through.

Mr. KIENITZ. That is why the trains take so long to get across Chicago.

Mr. LaTourette. Exactly right. So, I mean, he did not mean equal to. He just means that in the mix we are going to consider these as alternatives and good things to have, but if we are going to spend $1 million on a road, we are not going to have half of it go to a bike lane and half of it go to cars.

Mr. Kienitz. My interpretation of that would be equal in the eyes of policymakers as what is the expenditure you make, what is the benefit you get. If the freight project offers the best bang, great, but if the bike project offers a good bang, great for them.

Mr. LaTourette. Yeah. In terms of what? I mean, that gets back to, you know, you are already stealing $305 million from the trust fund for this sustainability, livability initiative, so, and as I look at the Secretary's objectives, the five things that he finds to be important, 40 percent of them, I mean, and you separated them today, one is livability and then you have got economic sustainability. I was hoping you would only have 20 percent and it would be, you know, livability and sustainability. So I do not even understand how you get a bang for the buck out of a bicycle project. I mean, it is quality of life. I mean, when we are talking about economic development and jobs, I mean, what job is going to be created by having a bike lane?

Mr. Kienitz. I think it is an entirely fair question, but you often see the cyclist with the t-shirt that says "one less" car on the back. The person who is driving by them thinking "why are you in my way" would instead think, "well, at least you are over to the side instead of in front of me in your car." There is some value to that. Bicycling, and walking are low cost. They lower family costs. The interesting thing about the U.S. transportation system is that the great majority of the expenditures are not expenditures that we make as governments, it is the expenditures that we make as individuals.

The car ownership rate in the United States is very high, and that is a very high family cost. For people of solid means, it is a perfectly affordable thing. There are a lot of people for whom a transportation system in which you cannot have a job, you cannot get your kids to school, you cannot do shopping unless you own a car, or two cars, or three cars, that is actually a hardship for folks. Giving them ways to make choices where they can achieve their goals without necessarily having to do that, entirely at their own choice though, seems reasonable.

Mr. LaTourette. Well, and I do not have any problem with the philosophy that we should——

Mr. Kienitz. Perhaps our rhetoric is not to your——

Mr. LaTourette. Well, that is what I am saying. Equal is a bad word. Maybe you should say that it should be under consideration or we are going to do more of it, but to say equal I think really does send it. I mean, it is a little bit like if you own a Toyota, you should park it. It is sending the wrong message, would be my observation. Thank you, Mr. Chairman.

Mr. Olver. Mr. Rodriguez.

TIGER GRANTS

Mr. Rodriguez. Thank you very much. Thank you for being here with us today. Let me ask you, on the TIGER grants I got kind of mixed understandings. Are we going to have a second round of that or what? We are?

Mr. KIENITZ. The appropriations bill approved by this subcommittee and eventually enacted into law for the current year provided $600 million for a second round. So it is a great reduction in the amount, but, yes, there will be——

Mr. RODRIGUEZ. Because, you know, and I have verbalized this before, in Texas we have a problem south of Dallas along the border. We, you know, really have been treated appropriately by the state in the last, you know, so many decades. I know with the TIGER grants also went to the north, none to the south. I am in San Antonio, seventh largest city in the nation, and yet, you know, I would hope that as you look at that criteria and to making those determinations, you know, look at those, you know? Okay?

Mr. KIENITZ. Yes.

RAIL LINE RELOCATION

Mr. RODRIGUEZ. Secondly, on your budget on the rail line relocation improvement program you kind of wiped that out. I was wondering if there are going to be other resources that you are going to look at, realignment or improvement projects. We have the South Orient project. For Texas, you know, trade comes through Mexico a lot and it goes through the inners, you know, and we have rail that comes in through the Atlantic and through Mexico and north to the center of the country. The South Orient, we are looking at the Pacific side of Mexico coming also through the center, you know? It is an area where South Orient needs, actually, it is owned by the state and it needs a great deal of improvement. We are able to get some resources there. That is why I was, you know, really concerned that you seem to be wiping out that category in terms of improvements.

Mr. KIENITZ. I will say I am personally very familiar with that program. When I worked in state government we actually took great advantage of some of those funds, and you may have as well. I know that it has traditionally been a program with strong support in Congress, and administrations past and now current have chosen not to request those funds, but obviously, that is an ongoing program at the rail administration right now, and the funds are provided, we will obviously work with you all to get them to the right projects.

Mr. RODRIGUEZ. Okay. So what was the rationale for doing away with that?

Mr. KIENITZ. I think it is the same rationale that has previously been the case. Every Administration I can think of has not supported that program—just one of the many things that gets cut every year to try to have a balanced budget.

Mr. RODRIGUEZ. Improvement in safety, and so it is not an issue because you also wiped out safety?

Mr. KIENITZ. I certainly have seen projects that have been very valuable funded under that program.

Mr. RODRIGUEZ. Okay. Because if we look at probably freight that comes into this country, a huge amount comes in through Texas.

Mr. KIENITZ. Yes.

Mr. RODRIGUEZ. Any part of that freight system as it goes up to the north or anywhere else, if you have got bottlenecks there, it not only impacts that area, but everywhere up north like when you look at I–35 that goes all the way across the country, it comes out of Laredo and San Antonio, and if it bottles up there, you are going to have a bottling up, and people forget that it is not just their areas but also where it comes from.

Mr. SZABO. Congressman, if I could say this? I was previously a local mayor in the south suburbs of Chicago, and it was a railroad town. It had two major freight rail yards in the community, and so certainly from that local perspective I can clearly relate to what you are talking about. What we chose to do was to focus on more flexible funding for larger infrastructure programs where a rail line relocation would still potentially be eligible whether it is under the TIGER grants or through the proposal for the NIIFF, the infrastructure bank that rail line relocations would be eligible under those programs, and so it was not that they were excluded. It is just that it is being funded from a broader pot.

Mr. RODRIGUEZ. Okay. Is that the $4 billion pot?

Mr. KIENITZ. Yes, sir.

Mr. RODRIGUEZ. Okay. Okay. I just wanted to make sure. Okay. Because I know that includes commuter rail and passenger and freight intermodal systems.

Mr. KIENITZ. Yes.

Mr. RODRIGUEZ. The GAO quickly indicated that with limited federal funding targeted to intermodal transportation, a well-limited collaboration that exits, limited ability to evaluate the benefit of such projects based on GAO. What are you guys doing in that area?

Mr. KIENITZ. First of all, I would say I entirely agree with that analysis. I think they are entirely right. To the degree that we now have some modest flexible funding, we are trying our darndest to do a much better job of that. For example, in the review of the flexible funding through the TIGER program, all of these people were involved, their staffs were involved. We had staff from each of the agencies look at each of the applications. We have really tried, both within our department and in the multi-agency partnership with HUD and EPA, to get a wide variety of perspectives.

That said, the fundamental structure of the department in our authorizing statute is stovepiped and divided. That is our operating manual, and we have to follow it. There is a certain amount of administrative stuff we can try to do to create a veneer of multimodal thinking on top of what are essentially single-mode programs, so I think the long-term response to that has to be a change potentially in the authorizing statute to make it more part of our DNA.

TIGER GRANTS

Mr. RODRIGUEZ. And can I just followup once again on the TIGER? Can I get a better perspective? Can we assume that you are going to be looking at it a little more broadly in terms of applicants on the TIGER projects, or are you going to be going to the same ones who have received it in the past?

Mr. KIENITZ. I think in particular we will probably almost certainly not go to the same ones that received it in the past, in part because those people are now going to be struggling to get their projects completed on time and on budget, so I would hope that we could explicitly do what you are saying.

Mr. RODRIGUEZ. Thank you.

Mr. OLVER. Well, on my time just for clarification, the one thing about the $600 million program is that it is an 80/20 program as opposed a 100–percent program which is the $1.5 billion that went out earlier, so it will require a local match with it along the way, but a quick question to you to follow up what Mr. Rodriguez had said. Would everybody have to apply de novo, or will you look at the list of those which were close to the award in the first place and not make them go back all the way through this process? Can you give me any sense of how that would go?

Mr. KIENITZ. There will be an entirely new de novo process. I suspect we will see many of the same applications back in.

Mr. OLVER. With a whole new notebook, but if they had a good program, or they have reason to think they are close, can they just put it in with very minor changes, is that what you just said?

Mr. KIENITZ. Yes, although with the caveat that you stated, which is that there is now a match requirement. Although, I will say I am not sure any of the projects that we granted did not have match, the great majority of them because that was a competitive factor. If you were willing to offer a match, the project was more competitive.

Mr. OLVER. Yes, but it did not require.

Mr. KIENITZ. It did not require.

Mr. OLVER. Did not require.

Mr. KIENITZ. There may have been a few cases; I think we funded an Indian Reservation project in South Dakota, and the Indian Tribe does not have a local match. They are not a state DOT. They do not have resources, so I think there was no match required on a couple of projects like that.

Mr. OLVER. Okay. Sometimes they have resources, too.

Mr. KIENITZ. But this was not one of them.

Mr. OLVER. All right. Continuing with my time, Mr. LaTourette, I had not realized how we had missed you when you are not here, and as you all know, the Secretary comes from the party of the folks on his right, and I think Mr. LaTourette is a very close personal friend of the Secretary. I do not know how many times you can make that sort of comment and still be totally friendly with the Secretary. In any case, again to my friends on your right, I have heard from both of them here and others when they are here decry the inadequacy of the infrastructure program of the authorization bill that occurred in 2005 and how small it was and how much greater the need is.

FREIGHT

I really think the need at the time was probably close to twice that and surely is with inflation now equal to what has been proposed and if you add the kind of need that comes if you take into account and appropriate a proportionate roll for freight, which is freight, with the movement of freight and its interconnection with the problems of overlapping uses of facilities and such that on this Subcommittee we probably would agree that we need more than twice what that program was and headed toward three times in order to be reaching to our need for infrastructure, so it is very large in any case.

To my ranking member, just a comment, Mr. Kienitz, you listed very definitively the order, at least I think it is done for a reason, safety, economic competitiveness, state of good repair, livability and environmental sustainability. Well, if I look at that, if I had a complaint with it, I would think there is a need for expansion of facilities, capacity expansion and facilities, which I suppose you might argue is included somewhere under economic competitiveness, but it is hidden, and in a transportation role, it is such a clear idea to speak of capacity expansion, which we need, as well as we need state of good repair.

At the other end of it, livability and sustainability I will concede that some might look at that as the same thing, but when you speak of environmental sustainability, it really speaks to the fact that we have environmental law, and we have had it for a long time, and it is one of the things that slows down the process our adherence to environmental considerations and environmental sustainability. That has been there for a long time.

In very urban areas, this is not going to end up with a question at all in this round, but I do need another minute because I have gone red, but if you end up trade associations from say the highway advocates and the trucking advocates, the trucking advocates basically use the highways, you will hear them say do not spend anything on rail, do not spend anything on transit, just build more roads.

Well, you cannot build more roads, or you do not have much livability in major metropolitan areas, so you do not have either environmental sustainability or livability, which leads toward the possibilities of bicycles and walking if we have our jobs and our living spaces and our schools and so forth in good shape, but in rural areas, it is quite a different calculus that you have to think about, so I have no problem if one wants to put those two sort of in the same place realizing that there are differences with the different types of communities, so I think that you have been quite clear in safety being the most important thing in this. I will leave that there. That is how I view the matter, and, Mr. Latham.

Mr. LATHAM. Great question, Mr. Chairman. I think the frustration I have that Mr. LaTourette spoke to also is the fact that if you now have an idea that there is equal importance for bike trails and all that, we are spending thousands of dollars coming out of the trust fund to do a listening tour where we get no response, no proposal, nothing about fixing the problem. We have money being taken out of the bridge fund, $36, $37 million, which is supposed to go to safety, that is going now to some other new initiative out there.

We are increasing the number of people, and he talked about well, the guy the T-shirt with one less case. That is also one less person paying into the trust fund, and so there is money there to build more bike paths or more roads and bridges to handle the safety issues, and that is the frustration I think that we are not getting anything. We are punting the ball, basically. The gentleman talked earlier on the TIGER grants that a lot of these decisions were really tough, so they did not make any decisions, and they funded millions and millions of dollars of new bike paths.

I mean, there are real infrastructure needs out there that are being swept aside, and we all want to have a good environment to live in. I have got my green tie on for multiple reasons today, but that is the frustration. All the things we should be doing do not seem to be getting done. There is no proposal for initiatives going forward on how to solve the problem, and yet we are moving all this money over to other projects here that are somebody's new initiative, and we have got huge infrastructure problems out there, and so I do not know how we rectify that.

TIGER GRANTS

I was really disappointed on the TIGER grants that you only disclose what grants receive the money under the TIGER competition. Left out of it, there is no formula as to how decisions were made, what various projects were scored, evaluated, and who applied and what applicants were requesting saying you talked about the ones you did. Given the Administration's idea of being totally transparent, are you going to release the information of other requests, proposals that were made to go after the TIGER grant funding? Is that going to be transparent so we know how everything was scored and evaluated?

Mr. KIENITZ. We are working on that exact matter right now, and frankly it was just the press of work up to the deadline for doing the release that did not cause that to be done in a contemporaneous way, and so that is our fault. I have been involved in a variety of meetings about this exact topic to figure out what exactly can be released. We are trying to have this program be consistent with the way the department has handled other discretionary funding programs in the past through rail and highways and other places so that we have a consistent approach to all of it, but there will be a coming release.

Mr. LATHAM. Is there any criteria you could release?

Mr. KIENITZ. The criteria under which the projects were rated were published in the notice of funding availability. We had two primary criteria: did it meet the policy objectives, and did it create jobs, and secondary criteria of were partners invested, and were there innovative things about the project, so the criteria under which everything was judged were all published before the grants came in.

Mr. LATHAM. But you can understand that people would be very concerned if their project was submitted knowing that criteria, and they do not know why it was not accepted. Was it a merit, or was it a political consideration, is there some other reason why their project was rejected and another one was accepted, and without any kind of transparency, nobody knows.

Mr. KIENITZ. That is a fair point, and we have actually had many, many one-on-one discussions with project sponsors and members of Congress and others answering those exact questions, and we are also trying to put out guidance materials to try to elucidate that point for all past and potential future applicants about lessons learned from Step 1, and a lot of times it is really an obvious thing: Match. One person came in with a 50 percent match, and another applicant came in with zero match, and so that was published in our criteria, but saying it to someone face to face is often more effective.

Mr. LATHAM. Okay. I am almost out of time. I will yield back.

Mr. OLVER. Of course, the ultimate problem was that there was $50 billion worth of requests and only $1.5 billion to do, which shows a pent up demand for the sorts of things with the flexibility that has been identified, the flexibility which took away the silos and could cut across what was going on. That is pretty important.

Mr. LATHAM. I think that begs the question whether the decision is made on merit or were there other considerations?

Mr. OLVER. Ultimately, we go back here, the people on your right, while they raise these questions and want the money, no one that I know of on the right has indicated how it is we are going to come up with the money that is needed to do what we need to do. I just have to editorialize there. Mr. LaTourette.

RIF PROGRAM

Mr. LATOURETTE. I would just say respectfully, Chairman, that I have worked closely with Jim Oberstar for now 16 years, and he has had a variety of plans. He had a bill that he put through his committee. I support that. He is now working on a bonding proposal. I support that, and so not everybody on our side of the aisle is sort of wandering in the wilderness as to how to solve the problem. Administrator Szabo, I want to just ask you a couple of questions.

When Joe Boardman, now the head of Amtrak, had your job, and here I will say something bad about the Bush Administration, you talk about the intermodalism, you talk about moving freight, the Deputy Secretary talked about the T-shirt that says one less car on the road, Norfolk Southern had this great ad. I thought it was the best ad in the world, where this giant tree would take a truck off the road and put it on a train and so forth and so on, so clearly moving freight on the rail system is a good idea.

I could never get Boardman or the Bush Administration to grant anything under the RIF Program, and I am just wondering where your Administration is on the RIF Program, and have you given any RIF money out? Are you going to give any RIF money out because it is about $4 billion if I remember right. Maybe, I am fuzzy.

Mr. SZABO. The fund itself?

Mr. LATOURETTE. The authorization, the bonding authority in the RIF Fund.

Mr. SZABO. I believe it is $35.

Mr. LATOURETTE. Billion?

Mr. SZABO. Yes, it is substantial.

Mr. LATOURETTE. Yes, it is. So how much have you given out?

Mr. SZABO. I do not have the exact answer about how much has been given out and certainly I can provide that to you, but obviously we consider it a very, very important program, an incredibly useful tool. Again, whether we are coming back to issues of rail line relocation, positive train control or certainly helping the short line industry, which has always been the primary purpose of RRIF, we consider it an important program. We continue to get applications, and we continue to see them approved.

Mr. LATOURETTE. And that is what I want to know. If somebody could just cobble together a list of the money that you have shipped out the door or you intend to ship out the door because $35 billion is not chump change. I mean, it is about what we were spending out of the highway trust fund on an annual basis for roads, and now roads and bicycle lanes and things like that, so, yes, I would like to know. Second, you mentioned positive train control.

I asked a question of the Secretary when he was here, and he said he was going to send somebody over, and we did get an email response, and I was on the Transportation Committee when we wrote the Railroad Safety Act, and included in there is this mandate for positive train control, and I am a big believer in positive train control, but the mandate extends to, and the baseline is supposed to be December 31, 2015. I asked the Secretary how come FRA in its rulemaking in January used routes that are in existence or are being used today in 2008.

The email response I got is FRA is not using an old map, but the final rule which requires the implementation plans that have to be filed by April 16, a couple of weeks from now, do talk about changes since 2008, and so the railroads tell me what this rule that you all have come out with may cause, and positive train control while it is a wonderful innovation, it is expensive, and it does not come free, and so the railroads have expressed concern to me that by having that baseline either be 2008 or April 2010 that you are going to have a requirement that they have PTC on about 8,000 miles of track that do not need it because there is no TIH chemicals, so what do you think?

Mr. SZABO. Well, let me say this: First, I need to be a little careful with the answer since there is a pending lawsuit on it, but I will say that we believe that the rule that we are proposing, that we have adopted, allows sufficient flexibility. In essence, 2008 is used as the baseline, but there is a high degree of flexibility that carriers can in fact make substantial changes from that. They just need to come and justify it, so it is a matter of ensuring that the public safety is maintained, that they do not just artificially make a change. As long as they can justify it, it is acceptable.

Mr. LATOURETTE. Well, and that is what I want to be clear on because nowhere in the Rail Safety Act is 2008 mentioned. I mean, that is when it was passed, but it is not mentioned anywhere. 2015 is mentioned, so if we get to 2015 when they have to actually begin to deploy, and a railroad comes to you and says well, I know you used the 2008 map, the 2010 map, but I am telling you because of traffic patterns, because of decisions we have made, because of abandonment, or whatever, but we do not have any TIH stuff going on this line. Are you saying, you are still here in 2015, that it is your view that the Administration is going to say okay, we will work with you, and we will modify that mandate?

Mr. SZABO. I certainly hope to still be here in 2015.

Mr. LATOURETTE. I do, too.

Mr. SZABO. Let me say this. Certainly, the intent is to continue to work with the industry, and those changes that are appropriate and justified will be acceptable.

Mr. LATOURETTE. Okay. Thank you.

MARAD

Mr. OLVER. All right. We have votes that have been called. I think we will be able to do maybe four minutes for each of us and make another round out of this if that is okay. Very quickly here, Mr. Matsuda, as I understand it, 44 of 278 authorized positions at the Merchant Marine Academy under your Administration are vacant. Yet, there is quite an increase in the budget here. I am not sure that budget is related to filling those positions particularly, but let me just ask, do you have the qualified staff to administer the funding for MARAD that has been requested in the budget, and answer that fairly quickly if you can.

Mr. MATSUDA. If I could, yes. We are in the process of recruiting all of the staff we need to help spend the additional capital monies requested in the 2011 budget.

Mr. OLVER. And what kind of staff are those?

Mr. MATSUDA. These are engineers and project overseers.

Mr. OLVER. So that is part of the budget request?

Mr. MATSUDA. Well, yes. That is part of it.

Mr. OLVER. We know there are needs there. We know there have been problems there. I am just trying to identify whether we are getting at the problems and the staffing issue is quite severe.

Mr. MATSUDA. We certainly are, sir. We are hiring folks this year and fiscal year 2010 as well as fiscal year 2011 if the budget request is approved. The Academy, as you know, is one of the few places that has a curriculum in transportation and logistics, and it really does produce some of the next generation's transportation leaders, and I know the Secretary feels it is an extremely important part of our national system.

FMCSA BUDGET

Mr. OLVER. Okay. Thank you. That is enough for the moment given the time. Now, Ms. Ferro, I want to ask you about your situation because you have a request for quite a sizeable increase for staffing for additional positions. It says for an additional 59 FTEs that are 118 positions. That sounds like just about 118 half-time people. How is that (1) going to help you meet your safety mission, and (2) how are we going to get at the rulemaking that has been required through the comprehensive safety analysis, the 2010 program?

Is that clearly related to doing that? We have had some serious difficulty. There has been rulemaking in regard to rules that were required under the SAFETEA–LU bill, which have been rejected a couple of times. Are we going to be able to complete that? Is that how we are to get done with that rulemaking or what? Give me your best sense here in about a minute or so.

Ms. FERRO. I will start with the budget question. Our budget request is in fact $20 million over our 2010 baseline or enacted budget of $550 million, and that $20 million is directed specifically to our safety mission. We are this year on the eve of rolling out the most significant change in the underpinnings of how we interact with our regulated populations, the commercial vehicle industry and drivers, as well as brokers and others that we credential, as well as the underpinnings of the systems and tools we provide to law enforcement and the regulated populations and the public access to motor carrier data.

The two components are CSA 2010 and Compass, and of the $20 million, a little less than half of it is directed towards funding the additional positions you identified, and by 2012 it would be 118 if all goes well. That is correct, 59 positions presuming we hire them in the second half of the fiscal year, and that is how we got to that number.

Mr. OLVER. Okay. Okay.

Ms. FERRO. Ninety percent of those positions are in the field specifically related to the workflow, changes that happen under the Comprehensive Safety Analysis Program that we are rolling out. That CSA 2010 program specifically shifts from a static high-risk carrier rating system and a static intervention system to one that is very dynamic in providing data and trends to carriers that are demonstrating a tendency towards high-risk behavior or are specifically high risk and engaging them in comprehensive corrective action plans through our intervention.

Mr. OLVER. Okay. Okay. Thank you very much.

Ms. FERRO. You are welcome.

Mr. OLVER. I am going to move on to Mr. Latham.

Ms. FERRO. Okay.

NAFTA

Mr. LATHAM. I am just going to have one question, and we visited about it, I appreciate it very much about the NAFTA mandated cross-border trucking arrangement.

Ms. FERRO. Thank you.

Mr. LATHAM. Where are we? What is going on?

Ms. FERRO. Well, it is no surprise for me to say to this committee it is a tough situation that has created some hardships on all sides, and so what I can say is that I certainly look forward to meeting with the Committee and briefing you on the details of whatever program is developed at the appropriate time.

Mr. LATHAM. What is the appropriate time?

Ms. FERRO. Well, I will say when we got the tough question, we agreed we would look towards Roy.

Mr. KIENITZ. There is a very active process that we are involved in right now that I know Anne is spending personally a lot of time on with the Secretary to try to come up with a way to solve this problem, which frankly no one has been able to figure out a way to solve for quite a long time, and so I think we have recognized it as important but hard, but we do not have anything for you yet.

Mr. LATHAM. No timeline? Nothing? Okay. Obviously, parts of the country are being negatively impacted with the tariffs that have been going on. I mean, it is all over the country. It is not just my district or whatever, but I think with that, Mr. Chairman, I will allow time for Mr. LaTourette.

Mr. OLVER. We still do not have a huge number of people who have voted for this one. It has taken a while to gather them. Mr. LaTourette.

Mr. LATOURETTE. Thank you. I will still be brief and perhaps the answer to the Mexican truck problem is if we made all the border crossings bicycle only. Mr. Matsuda, I want to come to you for a minute. If you are talking about intermodalism, moving freight and so forth and so on, in my part of the world, the Great Lakes, we have had under consideration for a long time short sea shipping, which is hard to say fast, but the last time I checked, there was only one operation.

It was up in Detroit, the Gentlelady's district, and he was taking empty containers from Detroit up to Canada and so forth and so on, and a couple of things are a problem, figuring out the relationships with Canada, and the Jones Act is a problem, but the harbor maintenance tax, and what I could never understand, again I will say something bad about the Bush Administration, the OMB under the Bush Administration said if we eliminated the harbor maintenance tax for cross-lake shipping in the Great Lakes that it would be costing the Treasury money.

Well, we are not collecting a tax now because there is no shipping, so that is one of the things that I will never understand here, so in a nutshell, where is your Administration on short sea shipping, and where is your Administration on the couple of bills that have been introduced to eliminate the harbor maintenance tax for that purpose?

Mr. MATSUDA. Thank you for the question, sir. I can tell you that at the Maritime Administration short sea shipping, we call it part of a larger program called America's Marine Highway. Like the ranking member said, every day we are green at Maritime Administration just because of the efficiencies that can be had by shipping over the water, especially in the Great Lakes.

Mr. LATOURETTE. Right.

Mr. MATSUDA. So we have a lot of things going on in that program. I expect to see a number of announcements this spring and summer that would help move that along. The Administration has not taken a position with respect to the legislation to remove the harbor maintenance tax for these second moves, but I can tell you that I have been to maybe 10 of the largest ports around the country, including Cleveland. I was at the Great Lakes Community Maritime Day last month. It snowed the entire time, and there was a common theme I have heard throughout the country that this is perceived as an impediment to starting up some of these services and increasing them.

Mr. LATOURETTE. Sure it is. It is not only the harbor maintenance tax, but it is the way with Homeland Security you have the notification requirement. If you are going across the bridge in Detroit, you have a compressed notification. If you are going to take it on a boat, you have to expand on it. It makes it tough, so anything you can do to sort of break down those barriers would be appreciated because you want me to wear a T-shirt that says one more car off the road.

I mean, sending it 38 miles across the lake from Ohio to Port Maitland where they are making cars as opposed to going on the bridge in Buffalo or Detroit really makes a lot of sense, and you could call it sustainability and livability and all that other stuff, so thank you very much.

Mr. MATSUDA. You are welcome, sir.

Mr. OLVER. As long as the lake area is deep enough to carry those kinds of things. I do not know what we would do to dredge

Lake Erie eventually, but that may be far out. That is geologic time. We are just about out of time here. We are going to need to go. I just want to make one last little comment, and that is that if you are dealing with TIGER grants and dealing with port related intermodalism, I hope you will take into account that very often we can come up with the west coast and the east coast and then the Gulf coast, but really it is usually an afterthought as to what it is that is happening with the Great Lakes, the ports on the Great Lakes, so I think that is often the way it comes out and that needs to be thought of.

Mr. KIENITZ. All right. Yes, sir.

Mr. OLVER. Thank you very much for being here today.

Mr. KIENITZ. Thank you.

Mr. OLVER. We would love to have had more time to continue the discussion, but be well.

Mr. KIENITZ. All right. Thank you, sir.

Department of Transportation (DOT)
Fiscal Year 2011 Questions for the Record
Chairman John Olver
Subcommittee on Transportation, Housing and Urban Development, and Related Agencies
House Committee on Appropriations

Intermodalism

1. Please describe the challenges that exist, which inhibit Federal investment in intermodal and freight mobility projects.

RESPONSE: There are two key challenges. The first is that federal transportation programs, by law, tend to be separate modal "stovepipes" that limit the potential for effective investments in intermodal and freight mobility projects. Thus, intermodal and freight transportation investment policy is inhibited because federal investments are currently dictated by the funding account, rather than where the investments could have the greatest impact. The second challenge is a frequent disconnect between local costs and regional or national benefits. For the most part, freight movements transcend Metropolitan Planning Organization (MPO) and State jurisdictional boundaries. Therefore, the benefits from investment in an intermodal or freight transportation project will usually accrue to a broad interstate region, while the costs will be incurred by the local or State authority.
The Recovery Act's $1.5 billion discretionary program (TIGER) demonstrated how both of these challenges can be overcome. Intermodal and freight mobility projects can be advanced when federal funds are freed from existing modal constraints and the benefit/cost analysis can be elevated to the regional and national levels. Intermodal and freight mobility projects were very competitive in the TIGER program with $374 million going to projects that improve freight rail transportation (primarily movement of ocean containers and truck trailers), $114 million going to port projects, and $277.5 million going to highway projects. Since highways are a mixed used system, many of the improvements benefit freight mobility. Out of $1.5 billion, fully half - $765 million - went to projects that benefit freight mobility.

2. To what extent does the Department fund intermodal projects under the various programs of the Department as currently authorized?

RESPONSE: Departmental funding of intermodal projects is a function of the eligibility requirements of the funding sources and the extent to which the Department has the discretion to allocate funds. In existing programs that have eligibility requirements that provide the latitude to the Department to choose intermodal projects, and where the Department has the authority to allocate funds, expenditures on intermodal projects are being made. The American Reinvestment and Recovery Act's $1.5 billion discretionary program (TIGER) demonstrated how the Department advances intermodal projects. Another example would be the intermodal projects that are routinely advanced by the TIFIA program.

In most of the existing programs, however, the Department does not control how the funds are expended. Under those programs (e.g., the Federal-Aid Program's Highway Account) it is a function of eligibility and the discretion of the authorities controlling the funding decisions.

While intermodal projects may be eligible under some of these programs, for example the intermodal connectors of the National Highway System (NHS) are eligible under the NHS program, these connectors incur local costs and generate more regional or national benefits than they do local benefits and therefore do not compete particularly well under local decision making. In other cases, like the Congestion Mitigation and Air Quality (CMAQ) program, intermodal projects are competitive and are funded at the local level. The Federal-Aid Program's Mass Transit Account expends the vast majority of its funding on intermodal projects almost by definition.

3. As the focus on intermodalism increases, does the Department see the need for a more robust Office of Intermodalism? How has this office been involved in recent intermodal proposals and programs, such as the TIGER grant program and the National Infrastructure Investment Fund?

RESPONSE: The Department sees a need for increased and better intermodal coordination at all levels of government from MPOs to the Office of the Secretary and is taking steps to facilitate and advance that coordination. The Research and Innovative Technology Administration (RITA), the parent organization of the Office of Intermodalism, was actively engaged in the evaluation and selection process for the TIGER grant program and will be equally involved in the National Infrastructure Investment Fund implementation. The Department, through the FHWA, has a Freight Professional Development Program that actively promotes and builds freight professional capacity at the Federal field office level, the State DOTs and the MPOs. Building professional capacity across the spectrum of transportation project decision making will significantly advance the concept and implementation of intermodalism.

Within the Department intermodal coordination was evident in the TIGER Grant implementation. Multi-modal teams from across the department evaluated applications. There is ongoing cross-modal cooperation in negotiating the grant agreements with the grant recipients, in overseeing project development through to completion, and in ensuring reporting requirements and performance measures are provided to the Department during construction and post-construction evaluation.

National Freight Policy

4. At the Subcommittee's hearing on Strengthening Intermodal Connections and Improving Freight Mobility with outside witnesses, there was broad agreement that there should be a national freight policy to help expedite the movement of freight to help the United States better compete in the global economy. How does the Department respond to the assertion that our country lacks a national freight policy? Do we? If so, why?

RESPONSE: There is an existing national intermodal transportation system policy in 49 USC 5501, but its effectiveness has been hampered by the "stovepiped" approach to transportation funding. Investments have been dictated by the funding account, rather than where the investments could have the greatest impact on the desired outcomes. The most sensible freight transportation policy will be one that directs transportation infrastructure investment to where it will have the greatest public benefit, regardless of mode or geographical location.

5. What role should the modes play in the implementation of a national freight policy?

RESPONSE: The modes' existing relationships with their constituencies would be integral to the implementation of a national freight policy. Through the TIGER program, we are pursuing a model that could be replicated in the implementation of a multi-modal program. The modal administrations were engaged in TIGER from the outset, from vetting the TIGER Notice of Funds Availability, throughout the evaluation and selection process, in negotiating the grant agreements with the grant recipients, in overseeing project development through to completion, and in ensuring reporting requirements and performance measures are provided to the Department during construction and post-construction evaluation.

TIGER Grants

6. Please discuss the criteria used to award the TIGER grants, and how it was developed. How did the Department evaluate and rate projects from different modes and multi-modal projects against each other?

RESPONSE: TIGER Discretionary Grants were awarded based on how well the projects aligned with the following selection criteria, which were specified in the notice of funding availability published in the Federal Register:

Long-Term Outcomes: The Department gave priority to projects that are expected to have a significant impact on the following long-term outcomes for the Nation, a metropolitan area, or a region:

(i) State of Good Repair: Improving the condition of existing transportation facilities and systems, with particular emphasis on projects that minimize life-cycle costs.
(ii) Economic Competitiveness: Contributing to the economic competitiveness of the United States over the medium- to long-term.
(iii) Livability: Improving the quality of living and working environments for people in communities across the United States.
(iv) Sustainability: Improving energy efficiency, reducing dependence on oil, reducing greenhouse gas emissions and benefitting the environment.
(v) Safety: Improving the safety of U.S. transportation facilities and systems.

Job Creation & Economic Stimulus: Consistent with the purposes of the Recovery Act, the Department gave priority to projects that were expected to quickly create and preserve jobs and stimulate rapid increases in economic activity, particularly jobs and activity that benefit economically distressed areas.

Innovation: The Department gave priority to projects that use innovative strategies to pursue the long-term outcomes outlined above.

Partnership: The Department gave priority to projects that demonstrate strong collaboration among a broad range of participants and/or integration of transportation with other public service efforts.

The Department gave more weight to the Long-Term Outcomes and Jobs Creation & Economic Stimulus criteria than to the Innovation and Partnership criteria.

The criteria were developed to reflect the Recovery Act's direction to the Department to fund projects that have a significant impact on the Nation, a metropolitan area, or a region. The Department believes that projects that are well aligned with these criteria are most likely to have this type of impact.

The Department evaluated projects on an intermodal basis. Each evaluation team had technical and professional staff from across the Department (FHWA, FRA, FTA, MARAD and OST) and each evaluation team looked at a variety of modal projects (highways, bridges, transit, rail, port and multi-modal). Each project, regardless of its mode, was evaluated based on how well it aligned with the selection criteria outlined above.

7. What did the evaluation process teach the Department about the barriers between modes? What lessons did the Department learn from the TIGER grant program that DOT will try to apply to the Department moving forward?

RESPONSE: The TIGER Discretionary Grant program's evaluation process was an unprecedented attempt by the Department to charge intermodal teams with the responsibility for reviewing projects across a variety of modes of transportation, including multi-modal projects. We think this process was a great success. The competitive nature of the TIGER program helped spur cooperation among a variety of project sponsors and encouraged them to leverage as many sources of funding as they could muster to demonstrate that they could make Federal dollars go further.

8. Please provide an update on the status of the funding provided in the Recovery Act for the TIGER grant program.

RESPONSE: On February 17, 2010, the Department announced that 51 projects had been selected to receive the $1.5 billion provided by the Recovery Act for the TIGER Discretionary Grant program. The Department is entering into grant agreements with the project sponsors for each of the selected projects on a rolling basis. Several grant agreements have already been signed. The first TIGER Grant projects will break ground later in June and July. The Department expects to obligate all of the funds for this program in advance of the September 2011 statutory deadline.

9. Please provide an update on how the Department plans to conduct the competition for funds provided in the fiscal year 2010 Omnibus. Is the Department considering ways to make the application process easier for those projects that submitted an application for a TIGER grant last year?

RESPONSE: The Department published an interim notice of funding availability for these funds in the Federal Register on April 26, 2010. Applications are due on August 23, 2010. The Department expects to conduct a competition that is similar to the competition conducted for the TIGER Discretionary Grant program, based on similar selection criteria, and utilizing a similar intermodal, Department-wide evaluation process.

The Department recognizes that there were many meritorious projects that did not get selected for TIGER Discretionary Grants. While the Recovery Act provided $1.5 billion for the TIGER Discretionary Grant program, the Department received more than 1,450 applications requesting close to $60 billion. In accordance with the FY 2010 Appropriations Act, the Department published new criteria and solicited new applications for the $600 million available for National Infrastructure Investments and we expect that many of the projects that were not selected for TIGER Discretionary Grants are going to reapply.

The Department has tried to make the criteria for the new program as consistent as possible with the criteria for the TIGER Discretionary Grant program, which should make it easier for applicants to reapply. In addition, the Department has hosted, and will continue to host and participate in, seminars, webinars and other outreach events that explain to applicants how to make their applications as competitive as possible. We expect that this will help previously unsuccessful TIGER funding applicants that reapply to successful identify opportunities to improve their application and be more competitive for the FY 2010 Appropriations Act funds.

10. Why did the Department choose to request funding for an Infrastructure Fund (I-Fund) focused solely on transportation-related investments rather than request additional funding for the TIGER Grants program? What does the I-Fund bring to the table that TIGER grants do not?

RESPONSE: The I-Fund brings to bear a broader array of innovative financing options, including grants, loans, and loan guarantees, to leverage non-federal funding of transportation infrastructure.

Department of Transportation (DOT)
Federal Motor Carrier Safety Administration (FMCSA)
Fiscal Year 2011 Questions for the Record
Chairman John Olver
Subcommittee on Transportation, Housing and Urban Development, and Related Agencies
House Committee on Appropriations

Operations and Programs

1. Please provide a chart detailing for each office within FMCSA the number of FTE requested, the number of FTE authorized/funded and the actual FTE for FY 2005 through FY 2010.

The following table lists FMCSA FTEs 2007 – 2010 by Office

Direct

	FY 2007	FY 2008	FY 2009	FY 2010*	Pay Period # 18
Office of the Administrator	53.8	58.3	56.4	57.8	55.0
National Training Center	7.5	7.3	8.4	12.0	12.0
Research, Technology, and Information Systems	41.4	49.5	45.7	48.0	48.0
Policy and Program Development	29.1	32.2	34.3	36.3	37.0
Enforcement and Program Delivery	40.2	41.4	46.2	52.5	51.3
Field Operations	729.7	766.1	779.0	778.1	778.0
Management	29.7	31.2	33.4	35.7	36.7
Total	931.4	986.0	1,003.4	1,020.4	1,018.0

Reimbursable

	FY 2007	FY 2008	FY 2009	FY 2010*	PP # 18
Office of the Administrator	5.3	3.2	4.1	3.0	3.0
National Training Center	-	-	-	-	-

Research, Technology, and Information Systems	14.9	12.2	16.5	14.4	14.9
Policy and Program Development	1.5	1.1	1.0	1.1	1.0
Enforcement and Program Delivery	11.0	15.4	16.0	17.1	17.3
Field Operations	2.7	1.1	0.9	1.6	2.0
Management	2.5	2.1	3.1	2.3	2.0
	37.9	35.1	41.6	39.5	40.2
Total Reimbursable & Direct	969.3	1,021.1	1,045.0	1,059.9	1,058.2

* through Pay
Period # 18

	Direct	Reimbursable
FY 2005 Enacted	1045	52
FY 2006 Enacted	1048	52
FY 2007 Enacted	1062	52
FY 2008 Enacted	1062	57
FY 2009 Enacted	1062	57
FY 2010 Enacted	1062	57
FY 2011 President Budget	1121	61

Position Title	Vacancy Status	Intent to Fill by 09/30/10	Number of positions to be filled if more than 1
Economist, GS-0110-12/13 DB	HR Waiting for Certificate	Y	
Transportation Specialist, GS - 2101 - 12 / 13 SD	HR Waiting for Certificate	Y	3 vacancies, 1 certificate
Transportation Specialist - GS - 2101 - 14 BP	HR Waiting for Certificate	Y	3 vacancies, 1 certificate
Transportation Specialist - GS - 2101 - 12 / 13 BP	HR Waiting for Certificate	Y	2 vacancies, 1 certificate
Management Analyst (Regulatory Development) - GS - 0343 - 12 / 13 BP	HR Waiting for Certificate	Y	
Administrative Officer, GS - 0341 - 9 / 11 / 12 SD	HR Waiting for Certificate	Y	
Attorney/Advisor GS-905 - 12 / 13 / 14 SD	HR Waiting for Certificate	Y	
Executive Analyst, GS-301-12 JAC	HR Waiting for Certificate	Y	
Program Manager (Division Administrator), GS-340-14 BC	HR Waiting for Certificate	Y	
Attorney/Advisor, GS-905-13 / 14 JAC	HR Waiting for Certificate	Y	
Human Resource Specialist (Benefits) (GS-0201-12/13)	Announcement to post nlt July 9	y	
Human Resource Specialist (Policy)(GS-0201-13)	Announcement to post nlt July 9	y	
Human Resource Asst (GS-0203-07)	Announcement to post nlt July 9	Y	
Attorney (GS-0905-14)	Vacancy Being Drafted	Y	
Human Resources Spec (Human Cap) (GS-0201-14)	Setting up interviews	Y	
Secretary (GS-0318-9)	Mgt. updating position description	Y	
Transportation Specialist	Pending PD	N	
Budget Analyst (GS-0560-13)	Readvertizing	Y	
State Program Spec. (MD)	Readvertizing	Y	
Senior Policy Advisor (GS-0340-15)	Mgt. Considering Options	Y	
Small Business Specialist (GS-1102-13)	Readvertizing	Y	
DIR, Office of Information & Technology (SES-0340-00)	Interviewing	Y	
IT Specialist (GS-2210-13)	Vacancy Being Drafted	Y	

Program Analyst (Medical Programs) (GS-0343-12)	Vacancy Being Drafted	Y	
Associate Admin for Field Ops (SES-2101-00)	Pending OPM Approval	Y	
Supv Transp. Spec. (Special Asst) (GS-2101-15)	Mgt. Working on Recrit Pkg.	Y	
Enf Support Clerk (GS-303-7)	Drafting Vacancy	Y	
Div Administrator (GS-0340-14)	Drafting Vacancy	Y	
Safety Investigator (GS-2123-12)	Drafting Vacancy	Y	
Northern Border Auditor (GS-2123-11)	Drafting Vacancy	Y	
Highway Safety Spec (GS-2123-13)	HR Waiting for Certificate	y	4 vacancies, 1 certificate

2. Please provide a list of any vacant positions in FMCSA, please indicate, which positions the Department anticipates filling by the end of the year and where the Department is in the hiring process with each of these positions.

3. Please provide a listing of all new positions requested in FY 2011 for FMCSA, showing the office, related program area, position title, grade level, salary, and basic description of the position responsibilities.

	<u>FTP</u>	**FTE**	**PC&B ($M)**
TOTAL	**118**	**59.0**	**5,871**
SAFETY	**103**	**51.5**	**5,871**
Increase Compliance with Federal Motor Carrier Safety Requirements	**99**	**49.5**	
Regulatory and Standards Development	***12***	***6***	
Regulatory Development	12	6	
4 Management and Program Analysts, GS-0343-12/13, to lead cross-Agency rulemaking teams concerning driver and carrier operations rulemakings, vehicle safety equipment and inspection, repair and maintenance requirements, and physical qualifications			

standards. 4 Economists GS-0110-13 to develop regulatory evaluations to support rulemaking, including regulatory impact assessments, environmental analyses, small business impact statements. 4 Attorneys GS-905-13/14 to participate on rule making teams to prepare proposed and final rulemakings that are legally supportable.		
Enforcement and Compliance Operations	**87**	**43.5**
Enforcement & Compliance		
	6	3
Drug & Alcohol Database: 3Transportation Specialists, GS-2101-13 – Responsible for developing programs and procedures for evaluating compliance data submitted by drug and alcohol service providers (e.g. Medical Review Officers or Laboratories) and identifying service providers for regulatory oversight activities. These personnel will also respond to the increased number of compliance issues relating to drivers, carriers, and service agents that will be generated by the database. 3 Transportation Assistants, GS-2102-7/9– Handle driver record requests, processing of information submitted by drivers/service providers regarding return to duty processes and investigating driver due process appeals.		
New Applicant Screening 2 Transportation Specialists, GS-13 – Would evaluate carriers suspected of reincarnating to avoid past safety or compliance problems and when appropriate prepare paperwork to deny reincarnated carriers new operating authority. 1 Attorney, GS-905-14 – Evaluate	5	2.5

proposed authority denials for legal sufficiency, provide legal defense for authority denials, and provide counsel regarding policies and procedures involving the vetting process and discovering and prosecuting reincarnated motor carriers. 2 Information Technology Specialists, GS-2110-12 – Accept and process new applications for authority and gather information through internet checks, database checks, and checks with appropriate State agencies to determine if a carrier is attempting to reincarnate to avoid a previous history of non-compliance. Compile and provide information to the Office of Enforcement for analysis.		
New Entrant Rule Implementation 20 Transportation Specialists, GS-2101-12 (5 per Service Center) Responsible for analyzing the adequacy of corrective action plans and recommending acceptance or denial. If a corrective action plan is to be denied these employees would prepare the documentation upon which the Agency would base its decisions. 4 Attorneys, GS-905-14 – (1 per Service Center) Evaluate carrier appeals of Agency Orders to place out of business carriers that have not provided adequate corrective action plans.	24	12
New Entrant Fed Ops 1 Transportation Specialist, GS-2101-13 – Develop programs and procedures for the Agency to implement and maintain the New Entrant Program including providing guidance on analysis of corrective action plans, monitoring uniform application of the program	1	0.5

throughout the country and continuing to improve FMCSA's new entrant program.		
CSA 2010 Ops 51 Transportation Specialists, GS-2101-11 (approximately one per each FMCSA Division though smaller Divisions will share and larger Divisions will be provided more than one as appropriate) to perform the preparatory work for Safety Investigators in the Divisions, such as providing background information on the motor carriers to be investigated, scheduling interviews, and gathering information from carriers during off-site investigations.	51	25.5
Improve Driver Medical Qualifications, Credentialing, and Licensing Systems	**2**	**1**
Driver Medical Qualifications & Oversight		
National Registry: 1 Nurse Consultant, GS-0610-12/13, to support implementation of the National Registry of Certified Medical Examiners. This program is required by SAFETEA-LU; the Agency anticipates issuing the final rule in the first quarter of FY 2011.		
Medical Exam Rpt System: 1 Management and Program Analyst, GS-0343-11/12, to support implementation of the National Registry of Certified Medical Examiners. This program is required by SAFETEA-LU; the Agency anticipates issuing the final rule in the first quarter of FY 2011.		
Improve Safety Information, Research, and Analysis to Advance Innovation and Technical Solutions	**1**	**0.5**
Information Management		
Compass & IT Support: 1 Information Technology Specialist, GS-2210-12/13, to conduct systems analysis and develop, test and		

implement systems to support COMPASS and other system implementation to support new rules and policies.		
Program Support	**1**	**0.5**
Public Affairs: 1 Public Affairs Specialist GS-1035-2/13 responsible for communicating Agency's programs and address issues. FMCSA requires an additional person to support increase inquiries regarding the implementation of new rules and the CSA program.		
ORGANIZATIONAL EXCELLENCE	**15**	**7.5**
Promote Strategic Management of Human Capital	**2**	**1**
Human Capital Services		
HCS: 2 HR Specialist, GS-201-13, focused on employee relations/labor relations and performance management; to support 4 newly established employee labor organizations.		
Advance Electronic Government Solutions	**1**	**0.5**
Electronic Government Solutions		
E-Gov: 1 Information Technology Specialist, GS-2210-12/13, to develop and implement E-Gov solutions to further open government initiatives, FMCSA and DOT-wide.		
Enhance Financial & Procurement Performance	**9**	**4.5**
Financial Management and Oversight	***7***	***3.5***
New Grant Office	6	3
1 Supervisor Grant Officer GS-1101 -14/15. Reviews and approves all disbursements of Agency grant funds to grantees. Ensures compliance with financial assistance regulations and		

statutes. Establishes processes, procedures, and forms for consistent implementation and oversight of grant awards and expenditures.

3 Grant Specialists GS-1101/11-13. Administers the financial assistance side of the Agency's 11 grant programs. Prepares grant announcements; reviews grant applications; manages technical review panels; ensure approval of grant allocations; prepares award documents; reviews quarterly financial reports and identifies any issues or inconsistencies; closes out the grants in the Agency's financial management systems. Provide input into single audit reports. Calculates indirect costs rates. Advises on eligibility of costs.

1 Financial Assistance Analysts – GS-343-13. Ensures that appropriate funding codes are assigned to the Agency's 11 grant programs; and that grant funds are obligated in a timely manner in the Agency's financial management system. Oversees spending rates. Resolves issues related to vouchers. Provides financial reports to Grant Officer, Chief Financial Officer and other Senior Agency officials.

1 Attorney Advisor – GS-905-14. Provides legal counsel on grant issues including, but not limited to, eligibility of applicants, evaluation criteria, award processes and documents, cost eligibility determinations and non-compliance decisions. Prepares high-risk grantee determinations. Reviews grant related correspondence, as appropriate, for legal sufficiency.

Provide counsel on rulemakings and interpretations related to grant programs.		
FM & Oversight: 1 Financial Analyst, GS-525-13, providing financial management and internal control oversights.	1	0.5
Acquisitions Management	***2***	***1***
Acquisition Management: 2 Contracts Specialist, GS- 1102-13, processing and managing contracting actions and providing oversight and adherence to federal and departmental acquisition policies.		
Integrated Budget and Performance	**2**	**1**
Budget Formulation and Execution	***2***	***1***
2 Budget Analysts, GS-560-13, managing formulation process and execution, ensuring adherence to policy and procedures, proper use of funds and spend plan development and adherence.		
Promote Organizational Efficiency and Open Communication	**1**	**0.5**
Central Support Services		
Border Facilities: 1 Space Management Specialist, GS-301-13, managing facilities upgrade projects along the Mexican Border and addressing facility issues due to aging infrastructure and available space to ensure no mission impacts.		

4. Please provide details of all organizational/staffing changes in FMCSA included in the FY 2011 budget request. Please include a breakout of the number of FTE who would be working on each key initiative proposed in the budget request.

FY 2011 FTE by Program

Regulatory & Standards Development...........	25
Enforcement & Intervention...............................	540
Passenger Carrier Safety Operations..................	8
MCSAP Grants..	23
Border Enforcement Grants..............................	6
Border Enforcement.......................................	274
PRISM Ops/Grants...	2
Technical Safety Training................................	4
Outreach and Education................................	7
CDL Operations..	7
Driver Medical & Improvement..........................	8
CDL Improvement Grants................................	5
Information Management................................	32
Research & Technology..................................	7
CVISN Grants..	5
SaDIP Grants...	2
CSA 2010..	29
HAZMAT..	32
Administration...	16
Data Analysis & Program Evaluation.................	8
General Law...	6
Management Services.....................................	12
Training and Education...................................	14
Acquisition Management..................................	16
Chief Finance Office(includes new grant office)........	11
Civil Rights..	
Rights..	4
Human Resources..	18
Total FTE	**1,121**

5. Please provide a table showing the funds for employee training and development for the last five years.

	Students Trained						**Funds Expended**		
Year	Federal Academy Students	FMCSA Students	State Students	Drug/ Criminal Interdict-ion (DIAP)	Web-Seminar Students	Total Students	General Operating Expenses	Motor Carrier Safety Assistance Program (MCSAP) Funding	Total
2010[1]	29	1,000	5,600	7,000	3,700	17,329	$2,667,458	$1,988,156	$4,710,373
2009[2]	66	449	5,611	6,996	1,075	14,197	$3,323,505	$1,896,550	$5,220,055
2008	65	641	5,813	6,911	--	13,430	$2,616,248	$1,759,410	$4,375,658
2007	17	749	6,602	7,678	--	15,046	$3,154,776	$1,320,227	$4,475,003
2006[3]	12	967	10,210[3]	7,783	--	18,972	$2,723,227	$1,433,966	$4,157,193
2005	73	1,451	5,784	7,470	--	14,778	$3,144,830	$952,611	$4,097,441

[1] Projected student totals and budgeted amount shown for FY 2010.
[2] FY 2009 GOE includes NTC GOE Expended and Obligated for contracts not fully expensed. Funding includes the first phase of curriculum redesign.
[3] FY 2006 was the implementation of New Entrant Safety Audit Program requiring initial training of State Auditors.

The above table shows both sources of funding for the FMCSA National Training Center, the General Operating (GOE) expense and Motor Carrier Assistance Program (MCSAP) funding. Funding details are as follows:

- NTC Expenses include funding for training development, and delivery, including travel for FMCSA employees.
- GOE Expenditures are used to fund the FMCSA academy for new field investigators, auditors and inspectors, recurring technical training, and professional, supervisory and leadership development training.
- The MCSAP funding provided to the National Training Center is used to fund the training costs for or state and local partners performing compliance reviews, new entrant safety audits and roadside inspections under the FMCSA grant programs.
- MCSAP funding is also utilized to fund the Drug and Criminal Interdiction Assistance Program, which trains Federal State and Local Law Enforcement Officials.
- FY 2009 expenses include funding for the National Training Center to complete a full curriculum overhaul toward its goal of receiving accreditation through the Commission on Accreditation of Law Enforcement Agencies.

6. Please provide a table showing the number of FTE conducting grant management and oversight for each grant program for the last five years.

Headquarters FTE [1]	
Overall Supervision	1
MSCAP	4
Border Enforcement	1
CDL	1
CVISN	1
SaDip	1
PRISM	1
Grant Oversight	3
Subtotal	**13**
Field FTE[2]	
State Program Manager	4
State Program Specialist	32
Subtotal	**36**
Total FTE	**49**

The FTE level has been constant since FY 2005

1. HQ FTE are the grant program managers responsible for the technical program development and management.
2. Field FTE are responsible for assisting with the development of States CVSPs and technical oversight of all FMCSA grant programs.

Research and Technology

7. Please provide a chart listing the specific research activities requested within the Research and Technology program from FY 2008 through FY 2011. Please include the research objective, the amount of funding that was requested and the actual amount of funding received for each year.

The following table shows FMCSA Research and Technology (R&T) funding request and enacted from FY 2008 to FY2011.

FMCSA Research & Technology Funding
(in thousands of dollars)

FMCSA (R&T)	FY 2008 Requested	FY 2008 Enacted	FY 2009 Requested	FY 2009 Enacted	FY 2010 Requested	FY 2010 Enacted	FY 2011 Requested
1. Produce Safer Drivers	3,950	4,656	3,636	3,875	2,776	3,697	4,550
2. Improve Safety of CMV*	1,200	1,415	828	1,375	1,700	1,754	1,550
3. Produce Safer Carriers	500	589	1,279	1,275	700	229	875
4. Advanced Safety Through Info-Based Initiatives	1,200	1,414	1,203	1,200	1,542	1,542	650
5. Improve Security Through Safety Initiatives	200	236	276	275	0	0	0

6. Enable and Motivate Internal Excellence	500	590	502	500	1,183	1,321	962
Total R&T	7,550	8,900	7,724	8,500	7,901	8,543	8,586

*Commercial Motor Vehicles

The next table identifies each of the program areas, their objective and the diverse set of safety R&T projects that FMCSA has funded or will be funding with FY11 dollars.

FMCSA's Research and Technology Program (FY08-11)

1. Produce Safer Drivers	Objective: Research techniques that help to ensure commercial drivers are physically qualified, trained to perform safely, and mentally alert.
	• Advanced Driver Warning System for Driver Fatigue, SBIR • Advanced Fatigue Modeling for Individual Differences, SBIR • Analysis of High Risk vs. Low Risk CMV Driver Behaviors • Analysis of Large Truck Crash Causation Study • Annual Driver Survey • Commercial Driver's License (CDL) Third-Party Testing Anti-Fraud Software • Employer Notification Service, Phase III • Hazardous Material Navigation System, SBIR • Impact of Driver Compensations on CMV Safety • Motor Carrier Practices to Achieve Optimal CMV Driver Performance • North American Fatigue Management Program - Phase IV • Onboard Monitoring Field Operational Test • Performance-Based Testing of Driving Skills • Random Roadside Drug Testing Analysis • Roadside/On-Board Safety Technology Countermeasures/Wireless Inspection FOT • Safety Belt Countermeasure Technology, SBIR • Safety Data Risk Study - Phase I, II, III • SmartPark: Real-time Parking Availability • Training Interventions to Prevent Hazardous Materials Rollovers • Wireless Roadside Inspection Concept & Pilot Test
2. Improve Safety of CMV	Objective: Improve truck and motorcoach performance through vehicle-based safety technologies.
	• Enhanced Rear Signaling Field Operational Test

	• Engineering and Analysis of the Causes and Preventions of Bus Fires • FMCSA Advanced System Testing Data Acquisition System on the Highways Program (FAST DASH) • HM Cargo Tank Design • Indirect Viewing System Field Test, Phase III • Natural Gas Fuel Systems • Safety and Security Technology Deployment • Smart Infra-Red Inspection System (SIRIS)
3. Produce Safer Carriers	Objective: Support efforts to improve carrier safety by applying safety management principles, compiling best management practices, communicating best practices, and supporting the Agency's enforcement of carrier-related regulations.
	• Effectiveness Analysis of the FMCSA New Safety Training Program • Research to Support FMCSA Rulemaking Activities
4. Advance Safety Through Information-Based Initiatives	Objective: Improve the safety and productivity of commercial motor vehicle operations through the application of information systems and technologies.
	• CDLIS Traffic Conviction Data Quality • CVISN Deployment Program, Support for Expanded Capabilities • Effectiveness of CDLIS data via NLETS • National CVISN Deployment Program, Support for Expanded Capabilities
5. Improve Security Through Safety Initiatives	Objective: Develop and implement safety initiatives that also have security benefits for truck and motorcoach operations.
	• Hazardous Materials Shipper Prioritization • CDL 3rd Party Testing Anti-Fraud Software
6. Enable and Motivate Internal Excellence	Objective: Improve performance to serve the customers and stakeholders of the ART Office more effectively and economically.
	• FMCSA CMV Roadside Technology Corridor • FMCSA Program Management • TRB/FMCSA Partnerships

8. Please list all proposed activities for FY 2011 in this account in order of priority. Please indicate whether the activity is planned or ongoing.

The following table provides a list of proposed projects that FMCSA would like to fund in FY11. The list of projects has been prioritized and each has been identified as either planned or

ongoing. In developing the prioritization scheme, the R&T program uses a balance scorecard approach based on three factors: safety, feasibility, and cost.

Project Name	Status
Random Roadside Drug Testing Analysis	Planned
CDLIS Traffic Conviction Data Quality	Planned
Impact of Driver Compensation on CVM Safety	Planned
Effectiveness Analysis of FMCSA's New Safety Training Program	Planned
Performance-Based Testing of Driving Skills/Capability	Planned
Hazardous Materials Navigation System (Phase I)	Planned
Onboard Monitoring Field Operational Test	Ongoing
Safety Data Risk Study (Phase III)	Ongoing
Wireless Roadside Inspection Pilot Test	Ongoing
Advanced Fatigue Modeling for Individual Differences (Phase III)	Ongoing
Performance Standards for Onboard Safety Technologies	Ongoing
SmartPark: Real-time Parking Availability	Ongoing
Research to Support FMCSA Rulemaking Activities	Ongoing
Annual Driver Survey	Ongoing
FMCSA FAST-DASH	Ongoing
CDL Third Party Testing Anti-Fraud Software	Ongoing
FMCSA Program Management	Ongoing
North American Fatigue Management Program (Phase IV)	Ongoing
TRB/FMCSA Partnership	Ongoing
CDL Third-Party Skills Testing Oversight	Ongoing

Comprehensive Safety Analysis 2010 (CSA 2010)

9. Where is FMCSA in the transition to CSA 2010? Will FMCSA meet its deadline to implement CSA 2010 this fall? What obstacles stand in the way of making CSA 2010 successful?

<u>Where is FMCSA in the transition to CSA 2010?</u>
FMCSA is currently in the process of applying lessons learned to the design of the CSA 2010 Operational model based on its successful nine state field test concluding at the end of June 2010. The agency recently announced a change in the timeline related to CSA 2010 national

implementation which will incrementally step the public, industry, enforcement field staff and State Partners into the CSA 2010 Operational Model. Several components of the CSA 2010 model will be implemented nationally prior to the end of 2010, with most of the remaining components slated to be implemented in 2011. Under this phase-in, prior to the end of 2010, the Agency will be using an improved approach to measuring carrier safety performance and applying key concepts of the Operational Model to improve public safety. The timeline enables the agency to integrate lessons-learned from the field test and be responsive to partner and stakeholder feedback.

Current status and near term items:

- As stated above, by June 30th, 2010, FMCSA will conclude the nearly 30 month Operational Model Field test of the new CSA 2010 Carrier Safety Measurement System (CSMS) and Interventions process.
- By the end of August, FMCSA will have nine states fully implementing the CSA 2010 CSMS and Interventions Process. Throughout July and August 2010, the four "50/50" test states (Colorado, Georgia, Missouri and New Jersey) will join the five 100% Op-Model Test states (Delaware, Kansas, Maryland, Minnesota, Montana) in implementing the CSMS and Interventions process. Within these states, enforcement staff will be trained, and domiciled motor carriers will have access to their CSMS results, and new interventions will be implemented.
- By mid-August, carriers will have access to an assessment of their Behavior Analysis and Safety Improvement Categories (BASICs) based on CSMS results and investigation findings through the CSA 2010 SMS Carrier Preview: this preview in advance of public release and integration of CSMS into enforcement programs will improve safety by promoting early compliance and providing opportunities for motor carriers to become better educated on the new CSMS.

<u>Will FMCSA meet its deadline to implement CSA 2010 this fall?</u>
Yes, by the end of calendar year 2010, the Agency will:

- Replace the Motor Carrier Safety Status Measurement System (SafeStat) with the improved CSMS for use in assessing motor carrier performance and high risk, and prioritizing its investigative resources. The CSMS will allow FMCSA to identify more carriers and their specific safety deficiencies in order to make more informed decisions to apply investigative resources.
- Release BASIC assessments for all carriers to the public (excluding the Crash BASIC) based on CSMS results and investigation findings. This will allow motor carriers and the public to more easily understand the safety assessments and make more informed and consistent safety based decisions. The Agency's experience with SafeStat suggests that making this information available to the public, including shippers and insurers, motivates carriers to improve safety.
- Communicate BASIC deficiencies to the roadside inspector community and integrate such deficiencies into the Inspection Selection System (ISS) algorithm.
- Issue Warning Letters to carriers with deficient BASICs to provide an early warning to carriers of emerging safety problems.

- Apply key concepts from the CSA 2010 Operational Model by centering investigations on demonstrated safety deficiencies to allow existing resources to reach more carriers; applying innovative enforcement tools to compel compliance; and increasing driver focus during carrier investigations.

The nationwide rollout in 2010 of the components presented above leaves the NPRM for the Safety Fitness Determination (SFD) as well as full Interventions Rollout for calendar year 2011. The current schedule has the NPRM for SFD scheduled to be published in early 2011, with nationwide training for all federal and state partners on the full CSA 2010 Interventions process slated to begin in the fall of 2011.

What obstacles stand in the way of making CSA 2010 successful?
At this point in time, FMCSA sees no obstacles that would stop CSA 2010 from being implemented. This is due in large part to the Agency's efforts to be very transparent with partners and stakeholders from the Program's inception. While some stakeholders have concerns about some of the details of the Program, the Agency has been able to build general consensus and strong support for the Program. There are, however, challenges to implementing this important safety initiative and making it successful. These include: (1) Ensuring that the IT systems needed to support the Program are robust enough and ready on time, (2) managing change among our field staff and State partners, and (3) implementing the new safety fitness methodology through notice and comment rulemaking. FMCSA is confident that it can meet these challenges, and that CSA 2010 will be successfully and fully implemented.

10. CSA 2010 expects to make a series of interventions as part of its assessment process, how will this increase workload for your investigators?

The CSA 2010 Interventions process is designed to use existing resources to reach more carriers. Results from the Operational Model Test in the four original test states (Colorado, Georgia, Missouri, and New Jersey) have shown an increase in the number of investigations completed per Safety Investigator (SI) Full Time Equivalent (FTE) when compared to the non-test group. This increase in efficiency allows the same resource level to have a greater impact on safety through the performance of more investigations.

Through the use of Focused Onsite, Offsite Investigations and the Notice of Violation (NOV) enforcement tool that center on carriers' demonstrated problem areas, in the same amount of time, SIs are able to investigate and address more carriers' safety deficiencies. Furthermore, the Offsite investigation allows SIs the ability to work on multiple investigations at once.

Additional increases in FTE will further allow the agency to increase its reach in ensuring carriers are operating safely and improving overall public safety.

11. What will the burden be on states in implementing CSA 2010? What technical and/or financial assistance will be available for states?

FMCSA's CSA 2010 program will provide an opportunity for States to change the way they administer their commercial vehicle enforcement programs, given that the CSA program provides a broader array of intervention options available for them to interact with the industry, as well as a more effective CSMS algorithm with which to identify and target high risk carriers for enforcement action. The States involved in the 9-state Operational Model Test that initiated in February 2008 have told FMCSA that they did not see significant impacts to the overall costs of their programs. While the program will result in more touches to the industry, many of the intervention options available to States are not as labor intensive as the traditional Compliance Review. Based on the Operational Model Test results, similar levels of effort have resulted in greater investigations completed. With that said, the CSA 2010 model was structured to be somewhat flexible depending on any particular State's CMV enforcement resources. Specifically, after intervening with and monitoring the highest risk carriers, FMCSA encourages States that have the resources to engage in the lower tier risk group of carriers that are demonstrating deficiencies as has been done by CSA 2010 Operational Model Test states. With regard to resources available to States, all of the CSA 2010 interventions are eligible expenses under the Motor Carrier Safety Assistance Program, and to date, the Operational Model Test States have indicated that such costs have been manageable. It should be noted however, that budgetary constraints at the State level impact the ability to maintain MCSAP staffing levels.

COMPASS

12. Please provide an update on the COMPASS system upgrade. Please include the total development costs, the development time line and the annual ongoing maintenance costs once the upgrade is complete.

The more detailed investment information for FMCSA's Information Technology Modernization Program, currently known as COMPASS, is described in the OMB Exhibits 53 and 300 (within Section 5 of the 2011 FMCSA Budget submission). The business case and related IT investment cost include both operations and maintenance of the existing systems and the planning and developing of the new systems.

Key IT Investment Costs:

- Total development costs from FY 2006 to FY 2015: $199.0 million
- Estimated Operations and Maintenance costs of COMPASS in FY 2015: $15.0 million

Key Milestones and Deliverables – Completed and Ongoing:

- FY 2008: FMCSA Portal Online
- FY2009: Single Sign-on to FMCSA Safety Systems
- FY2010: New Entrant Audits/Mobile Client Application Delivery
- FY2011: Comprehensive Safety Analysis (CSA) 2010 Safety Management System (ongoing)

The FMCSA Portal improves access to crucial safety information and sets the stage for further improvements in safety and operations. Besides providing single sign-on access to eleven safety systems, the Portal also delivers:

- Direct access via the Web – Any authorized user who can access the Web can access the Portal.
- Ability to make assignments directly from the Portal – Users can make assignments such as Compliance Reviews and Safety Audits without exiting the Portal.
- Accounts management – Users can request Portal accounts, modify requests directly from the Portal, request a forgotten User ID, and receive automatic notifications when their passwords are getting ready to expire; administrative users can run advanced user searches, disable or enable users, and transfer administrative roles.
- Presentation of motor carrier safety data on a single screen – Enforcement users have access to all company data in the same format as the carrier.
- Carrier access to their own information – Carriers now have a single location to view their data.

Sentri, a mobile client application (through which safety information can be accessed using a laptop, in a secure manner, to support Field and State Partners) was launched in December 2009, and will ultimately combine the functionality of FMCSA legacy safety systems and streamline the related business processes. By consolidating roadside inspection, investigation, and enforcement follow-up and reporting functions into a single interface, this important tool will help Federal and State enforcement personnel target unsafe carriers and drivers and remove them from the Nation's roadways. Enforcement personnel will have easier access to carrier, driver, and vehicle information, which is currently spread across several different safety systems.

The COMPASS Program is closely aligned with FMCSA's CSA 2010 Program. The CSA 2010 is a major new enforcement program that will improve the efficiency and effectiveness of FMCSA's enforcement and compliance program. The CSA 2010 relies on four major elements including measurement, evaluation, intervention, and data from COMPASS. Accurate, timely information is vital to effective regulatory enforcement as well as voluntary compliance. By creating a single source for accessing crucial safety data, collecting and managing that data more effectively, and improving data quality, COMPASS will validate, consolidate, organize, and reframe the safety information available on carriers, drivers, and vehicles. The seamless integration of COMPASS and CSA 2010 will increase enforcement, compliance, and motor carrier safety. This work is currently underway.

Rulemaking

13. Please provide a list of all rulemakings required of FMCSA in the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). Please indicate which rulemakings FMCSA has completed and the status of all rulemakings that have yet to be completed.

The following is a list of SAFETEA-LU mandates for which FMCSA has completed the required rulemaking actions:

Section 4102, Increased penalties for out-of-service violations and false records*

Section 4103, Penalty for denial of access to records*

Section 4104, Revocation of Operating Authority, concerning the revocation of for-hire motor carriers' operating authority when the carrier is rated "unfit" (covered in FMCSA's April 5, 2010, final rule concerning EOBRs)

Section 4106, Motor carrier safety grants*

Section 4107, High priority activities and new entrant audits*

Section 4114, Intrastate operations of interstate motor carriers*

Section 4118, Roadability, concerning maintenance responsibilities for intermodal chassis (December 17, 2008, final rule)

Section 4124(c), Commercial driver's license improvements, amounts withheld*

Section 4130, Operators of vehicles transporting agricultural commodities and farm supplies (statutory exemption from hours of service requirements)*

Section 4131, Maximum hours of service for operators of ground water well drilling rigs (statutory exemption from hours of service requirements)*

Section 4132, Hours of service for operators of utility service vehicles (statutory exemption from hours of service requirements)*

Section 4133, Hours of Service for Operators Providing Transportation to Movie Production Sites, (statutory exemption from hours of service requirements)*

Section 4146, HOS Exemption During Planting and Harvesting Season, concerning the transportation of grapes west of I-81 in New York (statutory exemption from hours of service requirements)*

Section 4136, Interstate Van Operations. The rulemaking extends the applicability of the safety regulations to 9- to 15-passenger vehicles, operated for direct compensation, within a 75 air-mile radius of the driver's work-reporting location (February 17, 2010, final rule)

Section 4140, School Bus Driver Qualifications and Endorsement Knowledge Test; Statutory extension of the September 30, 2005, deadline for compliance with 49 CFR 383.123 until September 30, 2006. (January 18, 2006, final rule)

Section 4147, Emergency condition requiring immediate response (a statutory exemption concerning the hours-of-service rule)*

Section 4202, Household goods carriers – Definitions, application of provision*

Section 4203, Household goods carriers – Payment of rates*

Section 4207, Household goods carriers – Liability of carriers under receipts and bills of lading*

Section 4208, Household goods carriers – Arbitration requirements*

Section 4210, Household goods carriers – Penalties for holding household goods hostage*

Section 4305, Registration of Motor Carriers by States (Unified Carrier Registration System Plan and Agreement), concerning the establishment of the UCR Board and the annual fees rulemaking (the most recent final rule was issued April 27, 2010)

Section 7112, Unsatisfactory safety ratings*

Section 7120, Civil penalty*

* This provision was covered in FMCSA's July 5, 2007, final rule, "Amendments to Implement Certain Provisions of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU)."

The following is the list of SAFETEA-LU mandated rulemakings which have not been completed.

Section 4113, Patterns of Safety Violations by Carrier Management. The Agency is developing a rulemaking schedule and considering options for initiating the rulemaking).

Section 4116, National Registry of Certified Medical Examiners. FMCSA published the notice of proposed rulemaking in December 2008. The final rule has been drafted and is under Agency review. The Agency anticipates publication of the final rule by January 2011.

Section 4122, CDL Learner's Permit. Requires individuals to pass a written test that meets minimum requirements specified by the Secretary to obtain a CDL learner's permit. Also, the learner's permits must be incorporated into CDLIS. The Agency published the notice of proposed rulemaking in April 2008. The Agency anticipates publication of the final rule in November 2010.

Section 4212, Brokers of household goods. This rule would require brokers to identify themselves accordingly and to provide certain information to shippers. The NPRM was published February 2007. The Agency anticipates publication of the final rule in January 2011.

Section 4214, Consumer complaint information (quarterly report). This rule would require HHG shippers to provide quarterly reports reflecting their disputes, arbitration and resolution. The NPRM was published in February 2008. The Agency anticipates publication of the final rule in July 2011.

Section 4303 – Inclusion of Motor Private and Exempt Carriers. Defines "registration" as filing the FMCSA Form MCS-150; extends insurance *filing* requirements to all carriers subject to 49 CFR Part 387, without affecting the levels or types of insurance. FMCSA's URS supplemental notice of proposed rulemaking would address this requirement. The Agency anticipates publication of the SNPRM in November 2010.

Section 4304 – Unified Carrier Registration System. Requires a Final Rule within 1 year of enactment of SAFETEA-LU. This provision would be addressed in FMCSA's URS supplemental notice of proposed rulemaking. The Agency anticipates publication of the SNPRM in November 2010.

14. Please provide a chart, which delineates funding provided for each rulemaking for FY 2005 through FY 2011.

FMCSA does not allocate funding for specific regulatory development projects. Generally, the Agency relies upon Federal staff from its Office of Policy and Program Development (for technical/policy subject matter expertise, rulemaking team management and regulatory drafting), the Office of Analysis, Research and Technology (for the preparation of regulatory impact analyses and environmental analyses) , and the Office of Chief Counsel (for attorney advisors for legal analyses).

FMCSA uses funds from its regulatory development budget for contractor support to assist the Federal staff in drafting rulemaking documents and preparing regulatory impact and environmental analyses. On average, the Agency has spent approximately $2,000,000 per year on regulatory development contractor support from FY 2005 through FY 2010.

Hours of Service

15. FMCSA has conducted listening sessions to begin the rulemaking process to rewrite the Hours-of-Service regulations. These regulations have been the subject of litigation since 2003. What is FMCSA doing differently this time to ensure you incorporate the concerns raised in the litigation process?

FMCSA's efforts to draft revised hours of service (HOS) regulations for CMV drivers has been an arduous process and has resulted in court challenges. In October 2009, as part of the Department's and the Agency's efforts to break the cycle of rulemaking and litigation, FMCSA entered into a settlement agreement with parties that had challenged the rule in March 2009 and agreed to undertake a new rulemaking.

One of the Agency's top priorities for the new rulemaking has been to elicit the views of the many individuals and entities affected by this rule and for the Agency to craft an HOS rule that provides the best framework for managing fatigue and making our roads as safe as possible. To that end, in December 2009, FMCSA tasked its Motor Carrier Safety Advisory Committee (MCSAC) to provide the Agency with a list of ideas and concepts that should be considered in drafting an HOS rule. The MCSAC's December meeting was open to the public to ensure all interested parties had the opportunity to either attend the meeting or listen to the discussion via toll-free phone lines.

In January 2010, FMCSA took additional steps to encourage interested parties to help the Agency identify new research and perspectives. Specifically, the Agency posted the MCSAC's meeting notes, opened the HOS public docket and held a series of four public "listening sessions" around the country with a fifth session held in March. Over 3,500 people participated in the listening sessions - in person, by phone, or web - to provide a broad range of comments, ideas, information, and relevant research the Agency might consider in developing a NPRM.

FMCSA is committed to using all of the information the Agency received to propose a rule that addresses the concerns of our stakeholders. FMCSA intends to publish its NPRM later this year and issue a Final Rule no later than July 2011.

16. What portion of Motor Carrier resources are being used on this rulemaking process?

Since the FMCSA entered into the settlement agreement in October 2009, the following resources from its regulatory development budget have been used through May 28, 2010, for contractor support to assist the Agency's personnel with the current hours-of-service (HOS) rulemaking:

- $444,000 - drafting the HOS NPRM, regulatory impact analysis (RIA), and environmental analysis (EA)
- $92,000 - HOS listening sessions comment analysis
- $69,000 - Other direct HOS costs (meeting rooms, court reporting, equipment, travel)
- $22,000 - Facilitator for HOS listening sessions
- ***Total Contractor Support:*** *$617, 000*

With regard to FMCSA staff, the Agency has assigned a team to work on the rulemaking, including: 1 senior staff subject matter expert from its Driver and Carrier Operations Division; 1 senior fatigue/HOS research expert; 1 senior attorney advisor; 1 attorney advisor; 1 field administrator; 1 economist; and, 1 safety investigator. The team meets on an as-needed-basis to complete work on the rulemaking.

17. Over the years, what research has Motor Carriers done to support its Hours of Service regulation development?

FMCSA recently completed the following studies related to its efforts to ensure the Agency's hours-of-service requirements are based upon scientific data and analysis:

Investigation into Motor Carrier Practices to Achieve Optimal CMV Driver Performance (Van Dongen et. al., 2010) Phase 1. The study investigated the effectiveness of the current 34-hour restart provision in restoring driver performance. Findings: The 34-hour restart was effective at mitigating sleep loss and consequent performance impairment for day-time drivers, but not effective for night-time drivers.

Improving Heavy-Duty Diesel Truck Ergonomics to Reduce Fatigue and Improve Driver Health and Performance (Fu et. al., 2010). This study will simultaneously measure air pollution concentrations, noise, and vibration inside truck cabs and sleeping berths while driving at different speeds and idling at a truck stop.

Noise Level: Noise levels were well below the OSHA standards.
Whole-body Vibration: Vibration was below the EU standards.
Air Quality: In some instances, PM 2.5 exceeded EPA ambient air standards.

FMCSA will complete the following research later in 2010:

Investigation into Motor Carrier Practices to Achieve Optimal CMV Driver Performance (Van Dongen et. al., 2010) Phase 2. This study examines a restart provision for night-time drivers who use two nocturnal sleep periods.

Investigating Safety-Critical Events as a Function of Work Hour. This study is investigating safety critical incidents by hour of work (combination of on duty work and driving time).

Crash Risk and Driver Operating Schedules. This study is examining fatigue-related crash risk by hours of driving and the effects of work breaks on crash risk.

Between 2000 and 2009, the Agency completed the following studies (an internet hyperlink is included to the final report):

06/2009	An Evaluation of Emerging Driver Fatigue Detection Measures and Technologies Final Report(PDF - 792.46 KB)
07/2008	Analysis of Risk as a Function of Driving-Hour: Assessment of Driving-Hours 1 Through 11. Final Report(PDF - 1 MB)
03/2008	Driver Issues: Commercial Motor Vehicle Safety Literature Review(PDF - 991 KB)
02/2008	Advanced Driver Fatigue Research(PDF - 5.8 MB)
09/2004	Sleep Apnea Crash Risk Study (Report)(PDF - 2.92 MB)
05/2000	Effects of Sleep Schedules on Commercial Motor Vehicle Driver Performance • Highlights (1) • Executive Summary (2) (PDF - 31 KB)

Electronic Onboard Recorders (EOBRs)

18. The fiscal year 2010 Omnibus included report language urging the FMCSA to issue its final rule on the use of electronic onboard recorders (EOBRs) as soon as possible. Please provide an update on the final rule.

On April 5, 2010 (75 FR 17208), FMCSA published its EOBR final rule. The regulatory identification number (RIN) for this final rule is RIN 2126-AA89. The final rule incorporates new performance standards for EOBRs installed in commercial motor vehicles (CMVs) manufactured on or after June 4, 2012. On-board hours-of-service recording devices meeting FMCSA's current requirements and installed in CMVs manufactured before June 4, 2012 may continue to be used for the remainder of the service life of those CMVs. The final rule became effective on June 4, 2010. Motor carriers must comply with this final rule by June 4, 2012.

The new rule also includes requirements for the mandatory use of EOBRs by motor carriers that have demonstrated serious noncompliance with the HOS rules. These motor carriers will be subject to a "remedial directive" requiring the mandatory installation of EOBRs meeting the new performance standards. If FMCSA determines, based on HOS records reviewed during a single compliance review that a motor carrier has a 10 percent or greater violation rate for HOS regulations, FMCSA will issue the carrier an EOBR remedial directive. The motor carrier will then be required to install EOBRs in all of its CMVs regardless of their date of manufacture and use the devices for HOS recordkeeping for a period of 2 years, unless the carrier (i) already equipped its vehicles with automatic on-board recording devices (AOBRDs) meeting the Agency's current requirements under 49 CFR 395.15 prior to the finding, and (ii) demonstrates to FMCSA that its drivers understand how to use the devices. FMCSA also changed the safety fitness standard to take into account a remedial directive when determining fitness.

FMCSA estimated that the remedial provisions of this final rule, requiring the installation, use, and maintenance of EOBRs by motor carriers with a 10 percent threshold rate of serious HOS violations, would affect approximately 5,700 motor carriers that employ 129,000 drivers annually.

Additionally, to encourage industry-wide use of EOBRs, FMCSA revised its compliance review procedures to ensure examination of a random sample of drivers' records of duty status after the initial sampling, and provides partial relief from HOS supporting documents requirements, if certain conditions are satisfied, for motor carriers that voluntarily use compliant EOBRs.

FMCSA acknowledged in its preamble to the 2010 final rule the safety concerns of Congress, the National Transportation Safety Board (NTSB), and the many organizations and individuals that submitted comments to the 2007 NPRM in support of a broader EOBR mandate (72 FR 2340). The Agency announced that is has begun work to evaluate regulatory options for expanding the population of carriers covered by an EOBR mandate. The Agency explained that it could not extend the EOBR mandate beyond those covered by the final rule because the scope of the rulemaking proceeding is limited to compliance-based regulatory approaches, implemented through a remedial directive.

As part of this new rulemaking activity, FMCSA will attempt to gather more information on the voluntary use of EOBRs and to assess how increases in the number of units installed may influence the purchase and operational costs. The regulatory identification number (RIN) for this new rulemaking action is RIN 2126-AB20. The RIN may be used to follow the progress of the rulemaking through the Federal government's rulemaking portal: http://www.regulations.gov.

This rulemaking will consider revisions to the April 2010 EOBR final rule to expand the number of motor carriers required to install and operate EOBRs. FMCSA is consolidating this follow-up to the EOBR rule with the hours of service supporting documents rulemaking for development of a single NPRM. In addressing supporting documents requirements in this new rulemaking, FMCSA will consider reducing or eliminating current paperwork burdens associated with supporting documents in favor of expanded EOBR use. The Agency anticipates publishing the NPRM by the end of calendar year 2010.

19. In addition, the fiscal year 2010 Omnibus included report language directing Motor Carriers to report to the House and Senate Committees on Appropriations on the specific actions the agency will take to incentivize industry-wide use of EOBRs and the metrics that will be used to measure the adoption of EOBR installation. Please provide an update on what methods FMCSA envisions using to incentivize industry-wide use of EOBRs and when FMCSA plans on submitting its report on this topic to the Committee.

In consideration of FMCSA's commitment to issue a new NPRM to explore a broader EOBR mandate, beyond those regulatory incentives provided in the April 2010 final rule, the Agency does not plan to take any actions, at this time, to incentivize industry-wide use of EOBRs.

Incentive 1: If a carrier voluntarily using EOBRs is found to have HOS violations in 10 percent or more of the records reviewed in the initial analysis, which focuses on drivers expected to have compliance problems, FMCSA will conduct a second review, based on a broader review, of a random sample made up of records of duty status for the carrier's other drivers, and use the results of the second sample in determining the carrier's safety rating. Such an approach will be less burdensome to carriers.

Incentive 2: FMCSA will provide partial relief from HOS supporting documents requirements for motor carriers that voluntarily use EOBRs, provided certain conditions are satisfied. EOBRs meeting the proposed requirements produce regular time and CMV location position histories sufficient to verify adequately a driver's on-duty driving activities. Motor carriers voluntarily maintaining the time and location data produced by such devices will need to maintain only those additional supporting documents as are necessary to verify on-duty not-driving activities and off-duty status.

With regard to the status of the report to Congress, the Agency has completed the drafting of the report and it is under Departmental review.

Distracted Driving

20. Please provide a break out of any funding in the FMCSA FY 2011 request that will be used for the Department's distracted driving initiative.

FMCSA's FY 2011 request does not include funding for the Department's distracted driving initiative. FMCSA has used regulatory development resources from the FY 2010 budget to complete the following:

- On January 27, 2010, FMCSA published regulatory guidance concerning texting while driving by CMV drivers (75 FR 4305). The guidance explains the applicability of our existing regulations to this safety issue and advises the industry that the existing regulations may be enforced against CMV drivers who engage in texting while driving that decreases safety of operations.

- On April 1, 2010, FMCSA published a NPRM to put into place an explicit prohibition against texting while driving by CMV drivers (75 FR 16391). The rulemaking would also provide disqualification penalties for drivers (including CDL drivers) who have multiple convictions for texting while driving a CMV. The Agency received approximately 300 comments in response to the proposal and the Agency plans to issue a Final Rule later this year.

- As part of the Agency's effort to get the maximum amount of public participation and collaboration in the texting rulemaking, the Department established an unprecedented partnership with Cornell University. The Cornell e-Rulemaking Initiative (CeRI) partnership made the texting rulemaking more accessible to the public through its "Regulation Room," an online public participation environment where people can learn about and discuss proposed federal regulations and provide effective feedback to the Department. This was an important step toward keeping President Obama's promise of opening government to more effective public citizen participation.

- In addition, FMCSA is preparing an NPRM concerning the use of wireless telephones and other electronic devices that contribute to distracted driving by CMV operators. The Agency anticipates publishing the NPRM in this second rulemaking concerning distracted driving in 2010.

- On June 8, 2010, FMCSA tasked its Motor Carrier Safety Advisory Committee (MCSAC) to provide the Agency with ideas and suggestions on how to address driver distraction issues other than texting and wireless telephone use. The input from the MCSAC will be used to help the Agency develop a plan of action to address a range of in-cab electronics that may distract drivers from the task of safely operating their vehicles.

FMCSA anticipates completion of the texting rulemaking in FY 2010 and the Agency will use its regulatory development resources from the FY 2011 budget to complete the rulemaking concerning wireless telephones and to initiate any rulemaking that may be necessary as a follow-up to the recommendations from its MCSAC on driver distraction issues, other than texting and wireless telephone use.

Department of Transportation (DOT)
Maritime Administration (MARAD)
Fiscal year 2011 Questions for the Record
Chairman John Olver
Subcommittee on Transportation, Housing and Urban Development, and Related Agencies
House Committee on Appropriations

APPROPRIATION HISTORY

1. Please provide MARAD's appropriations history over the last ten fiscal years.

Response: Please see table on next page.

DEPARTMENT OF TRANSPORTATION
MARITIME ADMINISTRATION
HISTORY OF APPROPRIATIONS
FY 2002 - FY 2011

	FY 2002 P.L. 107-77	FY 2003 P. L. 108-7 P.L. 108-11	FY 2004 P.L.108-199	FY 2005 P.L.108-447	FY 2006 P.L. 109-115 P.L. 109-148	FY 2007 P.L. 110-005	FY 2008 P.L. 110-161	FY 2009 P.L. 111-8	FY 2010 P.L. 111-117	FY 2011 Request
Operations & Training (O&T)	88,951 1/	92,092 3/	105,674 7/	106,952 11/	136,027 16/	111,522	121,992	123,360	149,750	164,353
Ship Disposal	0	11,088 4/	16,115 8/	21,443 12/	20,790	20,790	17,000	15,000	15,000	10,000
Special Studies	31	27	70	0	0	0	88,842	0	0	0
Maritime Security Program	0	98,058 5/	98,118 9/	97,910 13/	154,440	154,440	156,000	174,000	174,000	174,000
Assistance to Small Shipyards	0	0	0	0	0	0	10,000	17,500	15,000	0
Assistance to Small Shipyards ARRA	0	0	0	0	0	0	0	100,000	0	0
National Defense Tank Vessel Construction	0	0	0	74,400 14/	0	-74,400	0	0	0	0
Federal Ship Financing Fund	378	0	0	0	0	0	0	0	0	0
Ship Construction	4,400	0	-4,107	-1,979	-2,071	-2,000	-6,673	-1,383	0	0
Maritime Guaranteed Loan (Title XI)	36,973 2/	29,099 6/	4,471 10/	4,726 15/	9,085	4,085	8,408	3,531	9,000	3,688
Guarantee Subsidy	[33,000]	[25,000]	0	0	[5,000] 17/	0	[5,000]	0	[5,000]	0
Administration	[3,978]	[4,099]	[4,471]	[4,726]	[4,085]	[4,085]	[3,408]	[3,531]	[4,000]	[3,688]
Rescission of unobligated balance	-5,000	0	0	0	0	0	0	0	0	0
Reestimate	208,309	71,250	20,920	28,323	5,231	22,660	276	55,619	55,762	0
Total Discretionary Appropriations	125,924	230,337	224,378	305,432	320,342	216,437	313,400	433,391	362,750	352,041
Gifts & Bequests	0	500	0	0	0	640	161	1,102	1,200	1,200
Ocean Freight Differential (Mandatory)	54,331	113,360	687,816	814,859	526,260	496,343	201,726	175,785	175,000	175,000
Total Budget Authority	383,973	415,474	933,184	1,148,614	851,833	736,080	597,732	664,514	594,712	528,241

1/ Includes $103,000 rescinded in P.L.107-77.

2/ Includes $5,000 rescinded in P.L.107-77.

3/ Includes $602,524 rescinded in P.L.108-7.

4/ Includes $72,546 rescinded in P.L.108-7.

5/ Includes $641,550 rescinded in P.L.108-7.

6/ Includes $26,819 rescinded in P.L.108-7.

7/ Includes cancellation of expired funds of
$721,878 plus $1,323,159 rescinded in P.L.108-199.

8/ Includes $95,645 rescinded in P.L.108-199.

9/ Includes $582,330 rescinded in P.L.108-199.

10/ Includes $26,538 rescinded in P.L.108-199.

11/ Includes Working capital fund of $1,650,000 plus
$875,824 rescinded in P.L.108-447.

12 Includes $172,928 rescinded in P.L.108-447.

13/ Includes $789,600 rescinded in P.L.108-447.

14/ Includes $600,000 rescinded in P.L.108-447.

15 Includes $38,112 rescinded in P.L.108-447.

16/ Across the board reduction of 1%

17/ Includes $7,500,000 in supplemental funding for Hurr. Repa

MARAD OPERATIONS FUNDING DETAIL

2. In table format, please show the line item budgetary elements that constitute MARAD Operations. Please include the associated funding level provided for each line item and line item subdivisions for the last five fiscal years and requested level in 2011. Please do not provide this information by performance goal.

Response:

Programs Activites 1/ ($000)	FY 2007 Enacted	FY 2008 Enacted	FY 2009 Enacted	FY 2010 Enacted	FY 2011 Request
MARAD Operations and Programs					
Salary and Benefits	26,531	26,314	26,772	28,602	29,047
Non-Salary Base Budget	7,599	7,585			
Information Technology, Baseline	2,872	8,113			
GSA Rent Increases	92	736			
Set-aside for IT Costs	98	98			
Delphi/Accounting	1,894	1,258			
Marine Transportation System Information Advocate		1,960	1,900	[1,941] 3/	
Non-Discretionary Operations 2/			9,298	9,731	11,179
Discretionary Operations &Travel			1,818	1,777	1,786
Information Technology			6,183	8,155 3/	6,314
Disretionary Program Expenses			1,531	11,488	1,000
Total	$39,086	$46,064	$47,502	$59,753	$49,326

1/ MARAD established new line item budget elements for FY 2010 to better align with the program categories mapped in MARAD's accounting system and used for day to day management of the agency's operations.

2/ Includes GSA Rent, WCF and other non-discretionary costs such as accounting, payroll and personnel systems support, utilities, maintenance, records management, and security.

3/ MARVIEW funds are within the amount provided for Information Technology in FY 2010.

CARRY-OVER BALANCES BY ACCOUNT

3. In table format, please show carryover balances available by account or subaccount for fiscal years 2009 (available in fiscal year 2010) and 2010 (available in fiscal year 2011).

   Response: Please see table on next page.

Unobligated Carryover Balances ($000)			
	FY 2008 Actual	**FY 2009 Actuals**	**FY 2010 Estimate**
	(available in FY 2009)	(available in FY 2010)	(available in FY 2011)
Account:			
Operations and Training	19,399	39,294	6,800
Gifts and Bequests	268	1,194	1,194
Special Studies and Programs	2,675	834	0
Ship Disposal	20,325	26,012	15,874
Maritime Security Program	1,000	4,857	5,340
Ship Construction	1,382 1/	0	0
Ready Reserve Force	2,299	2,323	2,323
Operating Differential Subsidies	822	822	0
Ocean Freight Differential	90,891	26,288	0
Federal Ship Financing Fund Liquidating Acct	20	17	0
Vessel Operations Revolving Fund	52,292	94,507	15,849
War Risk Insurance Revolving Fund	44,001	45,773	47,773
Maritime Guaranteed Loan Program:			
Subsidy	12,352	42,907	24,744
Administration	0	0	0
Total	**247,726**	**284,826**	**119,897**

1/ Balance rescinded in FY 2009

FUNDS ADMINISTERD BY MARAD

4. Please list those funds that are administered by MARAD, but not appropriated to the organization. Please include where each account fund is credited to, the fund source, the intended use, the actual use, and the associated amount for each of the last five fiscal years.

Response:

Funds Administered by the Maritime Administration
Not Appropriated to the Maritime Administration
Summary by Fiscal Year
($000)

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Vessel Operations Revolving Fund	289,043	256,362	239,953	363,632	433,288
Operations & Training	57,165	50,123	44,557	48,702	15,425
Gifts and Bequests	2,504	2,183	2,618	161	1,102
Special Studies, Services, and Projects	6,512	6,339	7,500	88,842	-
FHWA Allocations	1,323	4,903	-	13,661	22,334
Port of Guam Improvement Enterprise Fund	-	-	-	-	2,000
Non-Appropriated Funding Instrumentalities (NAFIs)	13,417	13,979	15,808	18,002	13,378
Total	**369,964**	**333,889**	**310,436**	**533,000**	**487,527**

Following are descriptions of program activities supported by funding other than annual appropriations:

Vessel Operations Revolving Fund

The Vessel Operations and Revolving Fund (VORF) was authorized under 46 USC 50301 for use of the Secretary of Transportation in carrying out duties, and powers related to vessel operations, including charter, operation, maintenance, repair, reconditioning, and improvement of vessels under the jurisdiction of the Secretary. The Fund is available for expenses incurred in activating, repairing, and deactivating merchant vessels chartered under the jurisdiction of the Secretary. Receipts from charter operations of Government owned vessels under the jurisdiction of the Secretary are to be credited to the Fund. In addition, 16 USC 5405 authorizes the Fund to receive receipts attributable to the sale of obsolete vessels in the National Defense Reserve Fleet (NDRF) that are scrapped or sold.

Operations & Training Transfers & Reimbursables

FHWA and FTA transfer funding to MARAD to support port and terminal infrastructure development projects. MARAD provides federal oversight and coordination of projects, to act as a central procurement organization, leveraging federal and non-federal funding resources, and streamlining the environmental review and permitting process. MARAD is advancing port development projects in Hawaii and Anchorage. The Hawaii project involves the demolition of a shed and re-shaping a pier, allowing that pier to be more efficiently utilized for cargo operations, with additional projects under this program in later phases. The Anchorage project is a major redevelopment and expansion of the existing port facility and is projected to be completed in 2013. Reimbursements are derived from interagency agreements to support the programs of a number of Departments and agencies, including Department of Defense (DOD)/U.S. Navy, Federal Highway Administration (FHWA), Federal Transit Administration (FTA), and others. Reimbursable activity in this account also includes collections received by the agency.

Gifts and Bequests

MARAD receives gifts and bequests from external contributors, individuals and organizational donors. The agency receives restricted and unrestricted gifts and bequests. Restricted gifts specify the purpose for the contributed funding. Unrestricted gifts can be applied to agency priorities. The large share of gifts and bequests received by MARAD are for the USMMA.

Special Studies

MARAD may receive funding from non-Federal sources, including states, municipalities, and private entities for collaborative, cost-sharing efforts advancing maritime missions. Notably, in FY 2008, MARAD received $88.8 million from the Port of Anchorage Municipality for the redevelopment and expansion of the port facility.

FHWA Allocations

FHWA provides allocation account funding to MARAD to support port and terminal infrastructure development projects other than Hawaii, Anchorage, and Guam (which require transfer under current law). In addition, MARAD has received allocations of ARRA funds from FHWA to support port development projects.

Port of Guam Improvement Enterprise Fund

The FY 2009 DOD authorization created the Port of Guam Improvement Enterprise Fund with the intent of consolidating all resources dedicated to the Guam Port Improvement project within the Fund. The project will affect the substantial improvement of the Jose D. Leon Guerrero Commercial Port to provide modern and efficient transportation access to the island of Guam and to the region to meet the Department of Defense requirements for the Guam build-up needed for the relocation of troops from Okinawa.

STAFFING HISTORY

5. Please provide a table showing the following information for fiscal year 2006 through fiscal year 2011: FTE requested in the budget request; FTE enacted by Congress; and actual FTE on-board. Please provide this information by account, delineate each office in that account and include a total.

Response: Please see table on next page.

STAFFING HISTORY

Program	FY 2006 Req.	FY 2006 Enact.	FY 2006 Actual	FY 2007 Req.	FY 2007 Enact.	FY 2007 Actual	FY 2008 Req.	FY 2008 Enact.	FY 2008 Actual	FY 2009 Req.	FY 2009 Enact.	FY 2009 Actual	FY 2010 Req.	FY 2010 Enact.	FY 2010 Actual	FY 2011 Req.	FY 2011 Enact.	FY 2011 Actual
Direct Funded																		
Operations and Training (O&T)	455	455	431	455	424	446	424	438	430	446	452	442	498	498		502		
Ship Disposal	7	7	0	7	7	7	7	7	7	7	11	11	11	11		11		
Alteration of Bridges	0	0	0	0	0	0	23	0	0	0	0	0	0	0		0		
Subtotal, Direct Funded	462	462	431	462	431	453	454	445	437	453	463	453	509	509		513		
Reimbursements/Allocations/Other																		
O&T	365	365	354	358	354	303	354	303	298	303	0	0	0	0		0		
Ready Reserve Force	0	0	0	0	0	0	0	0	0	0	0	0	0	0		333		
Vessel Operations Revolving Fund (VORF)	0	0	0	0	0	0	0	0	0	0	326	306	333	333		0		
Subtotal, Reimbursements	365	365	354	358	354	303	354	303	298	303	326	306	333	333		333		
TOTAL FTE	827	827	785	820	785	756	808	748	735	756	789	759	842	842		846		

FTE REQUEST, FTE ON-BOARD, AND VACANCIES

6. Please provide a table showing the current number of FTE on-board, vacant FTE, and "new" FTE (additional FTE MARAD is requesting over that provided in fiscal year 2010) by account and total for fiscal year 2011 request.

Response:

Program	**FY 2010 On-Board FTE**	**Vacancies**	**NEW FTE IN FY 2011**	**FY 2011 Requested FTE**
Operations and Training:	481	17	4	502
Ship Disposal:	11	0	0	11
Subtotal, Direct Funded	**492**	**17**	**4**	**513**
Reimbursements/Allocations/Other				
Ready Reserve Force:	0	9	324	333
Vessel Operations Revolving Fund:	324	0	-324	0
Subtotal, Reimbursements	**324**	**9**	**0**	**333**
TOTAL FTE	**816**	**26**	**4**	**846**

RETIRMENT PROJECTIONS

7. Please update the table from question seven from the fiscal year 2010 questions for the record that shows the percentage of the MARAD's employees that will be eligible for retirement over the next ten years.

Response:

Future Fiscal Year Retirement Eligible	# of Employees	% Year	Cum. %
2011	247	32.2%	32.2%
2012	48	6.3%	38.5%
2013	37	4.8%	43.3%
2014	23	3.0%	46.3%
2015	34	4.4%	50.8%
2016	26	3.4%	54.2%
2017	41	5.4%	59.5%
2018	27	3.5%	63.1%
2019	27	3.5%	66.6%
2020	22	2.9%	69.5%
2020+	234	30.5%	100.0%
Grand Total	766	100.0%	

NUMBER OF VESSELS ON SHIP DISPOSAL LIST

8. How many inactive, obsolete National Defense Reserve Fleet (NDRF) vessels are on the ship disposal list?

Response: As of June 1, 2010, there were 88 non-retention vessels in the National Defense Reserve Fleet (NDRF) ship inventory. The inventory includes ships under recycling (fee-for-service) contracts that remain in the inventory until the disposal action is completed, which may be for a year or more after the ships have been removed from the fleet for disposal. Of the 88 non-retention ships in the inventory, 15 ships are either in the process of being recycled or under contract awaiting removal from the fleet sites. Non-retention vessels sold for disposal, or disposed of via donation and artificial reefing, are removed from the inventory list upon transfer of the vessel to the new owner.

9. How many NDRF vessels are available for disposal? How does this number differ from the total number on the ship disposal list?

Response: As of June 1, 2010, there were 73 vessels at MARAD's three fleet sites that were not yet under contract and available for disposal. The difference between the 88 non-retention vessels in the inventory and the 73 ships available for disposal at the fleet sites is the 15 ships that are currently in the disposal process or under contract and awaiting removal from the fleet sites.

10. Please provide a table showing the beginning year balance of vessels on the ship disposal list, the number added, the number removed, and end of year balance by year for fiscal year 1998 through fiscal year 2010 (estimate).

Response: The table below reflects the beginning and ending year balance of vessels on the ship disposal list for the years 1998 through 2011 (estimate).

OBSOLETE VESSELS IN MARAD's CUSTODY BY FISCAL YEAR, FY 1998 - 2011

	FY 1998	**FY 1999**	**FY 2000**	**FY 2001**	**FY 2002**	**FY 2003**	**FY 2004**	**FY 2005**	**FY 2006**	**FY 2007**	**FY 2008**	**FY 2009**	**FY 2010***	**FY 2011***
On Hand, Start of Year	74	77	111	115	132	133	132	138	143	152	130	111	94	81
Transfers In	6	42	7	19	7	2	16	17	33	1	11	4	4	3
Transfers Out	3	8	3	2	6	3	10	12	24	23	30	21	17	15
On the books end of year	77	111	115	132	133	132	138	143	152	130	111	94	81	69
Removed from the Fleets	3	5	3	6	6	2	15	18	25	20	25	14	10	10

Definitions:
"Transfers In" refers to vessels from all sources that have changed in status from retention to non-retention.
"Transfers Out" refers to vessels that have been taken "off the books" because of a completed disposal, title transfer through vessel sale, donation or other transfer action. "Removed from the fleet" refers to vessels that have been physically removed from the fleet sites.
Except for vessel sales and donations, vessels removed from the fleet are not counted as "Transfers Out" until the disposal action is completed.
* FY 2010 and FY 2011 are estimates.

11. What is the Department of Defense's projection for the size of the fleet of inactive, obsolete vessels for the next five years? What is MARAD's projection of the number of MARAD-owned, NDRF vessels to be reclassified as non-retention, obsolete, over the next five years?

Response: The U.S. Navy has not indicated a transfer for disposal of any additional non-retention, DoD-owned merchant type vessels to the Maritime Administration over the next five years. The Agency's projection for the number of Maritime Administration-owned, NDRF vessels to be reclassified as non-retention over the next five years is approximately 3 to 5 vessels per year.

RISK LEVEL AND LOCATION OF VESSELS ON SHIP DISPOSAL LIST

12. How many and what percentage of ships on the list are rated as high risk? How many and what percentage are rated as moderate risk?

Response: A vessel condition rating system, using multiple factors, is used to evaluate the material condition and determine the disposal priority of each obsolete vessel. The condition rating system and distribution of the vessels awaiting disposal is shown in the following table. The number of ships indicated in the chart below applies to MARAD non-retention vessels not yet under contract for disposal. Non-retention vessels are disposed of on a "worst first" basis, which is a material condition-based priority that includes several assessment factors in addition to hull condition. Actual condition assessment factors are converted to a numerical score. A vessel with a condition score of 2.00 or less is considered a "high" disposal priority; a score of 2.01 to 2.99 is a "moderate" disposal priority; and, a score greater than 3.00 is a "low" disposal priority.

Vessel Condition Score	**Disposal Priority**	**Number Of Ships**	**Percentage Of Total**
$\leq$2.00	High	6	8.2%
2.01-2.99	Moderate	18	24.7%
$\geq$3.00	Low	49	67.1%

13. Please list the distribution of the obsolete vessels by number and location relative to their risk/priority designation. What is the percentage of ships that are considered seaworthy to the extent that they could withstand an international voyage for overseas disposal?

Response: The distribution of 73 obsolete vessels awaiting disposal by number and location relative to their priority is shown in the following table.

Number Of Ships	Disposal Priority	Fleet (Location)
2	High	**BRF (Beaumont, TX)**
1	Moderate	
8	Low	
0	High	**JRRF (James River, VA)**
1	Moderate	
14	Low	
4	High	**SBRF (Suisun Bay, CA)**
16	Moderate	
27	Low	

MARAD's non-retention ship disposal focus in FY 2010 has been exclusive to SBRF ships with the exception of one JRRF vessel designated for artificial reefing. In FY 2011, MARAD will begin including BRF and JRRF vessels in the disposal mix as determined by the materiel condition of the non-retention ships in all three of MARAD's reserve fleet sites. The settlement agreement MARAD reached in the California environmental lawsuit, which focuses on the removal of SBRF ships, is consistent with the Agency's long standing policy of disposing of the worst condition ships first. MARAD's focus in FY 2010 on SBRF ships, relative to the distribution by fleet site of the high and moderate disposal priority ships, bears this out. Plans are currently underway to include one of the two high priority BRF ships in a ship recycling solicitation to be posted this fiscal year for arrival at a ship recycling facility for disposal in September/October. The second high priority BRF ship will be considered for disposal during the course of FY 2011 as the best use of available recycling capacity and resources is assessed for the priority non-retention ships.

One hundred percent (100%) of MARAD's non-retention vessels awaiting removal from the fleets are considered seaworthy and able to withstand an open ocean international tow for overseas disposal. No vessels are currently designated for or restricted to domestic disposal because of the vessels' material condition. All vessels, regardless of the recycling destination, undergo a trip and tow survey by an independent marine surveyor prior to the start of tow preparations to ascertain vessel condition prior to the commencement of a tow and to identify ship specific tow preparations that are needed. All vessels considered seaworthy for open ocean tows are issued load-line certificates by the U.S. Coast Guard. Since FY 2001, the Maritime Administration has removed 140 non-retention ships from its three fleet sites for disposal. All 140 ships received load-line certificates from the U.S. Coast Guard and were safely towed to the foreign and domestic disposal destinations.

OIL DISCHARES FROM OBSOLETE VESSELS

14. Please update the chart on page 277 of the fiscal year 2009 hearing record on oil discharges from obsolete vessels.

Response: The following discharges of oil from obsolete vessels have occurred since 1995 at the Agency's three fleet sites and were addressed without significantly adverse environmental impacts.

James River Reserve Fleet:

- An unknown quantity of oil was released from the EXPORT CHALLENGER (July 1998)
- An unknown quantity of oil was released from the EXPORT CHALLENGER (September 1998)
- Twenty-five (25) gallons of oil were released from the EXPORT CHALLENGER (July 1999)
- Twenty-five (25) gallons of oil were released from the BUILDER (July 1999)
- One Thousand (1,000) gallons of oil were released from the DONNER (August 2000)
- An oil sheen was released from the DONNER (September 2000)
- Ten (10) gallons of oil were released from the MORMACWAVE (October 2000)
- Two (2) gallons of oil were spilled from the MIRFAK (March 2003)
- Ten (10) gallons of oil were released from the MORMACWAVE (May 2003)
- Five (5) gallons of oil were released from the COMPASS ISLAND (August 2003)
- Six (6) gallons of oil were released from the WACCAMAW (January 2005)
- Twenty (20) gallons of diesel fuel were released from the SOUTHERN CROSS (June 2005)
- One (1) gallon of preservation oil was released from the GEN. HOYT S. VANDENBERG (August of 2006)

Beaumont Reserve Fleet:

- Ten (10) gallons of diesel/water mix was released from the TEXAS CLIPPER I (May 2006)
- One (1) gallon of oily water was released from the DEL VIENTO (August 2007)
- One (1) gallon of hydraulic fluid was released from the CAPE FLORIDA (September 2007)

Suisun Bay Reserve Fleet:

- One (1) pint of hydraulic fluid released from the SAGAMORE (May 1998)
- Six (6) drops of preservation oil released from the AGENT (June 2001)
- One (1) liter of diesel fuel released from the HASSAYAMPA (May 2007)

In 2007, the Agency began instituting, at all three fleet sites, an Environmental Management System (EMS) as part of the Maritime Administration's commitment to environmental stewardship. Earlier this year (2010), EMS was independently certified in the James River Reserve Fleet, with certification in the Beaumont and Suisun Bay Reserve Fleets anticipated for later 2010. EMS provides additional focus to further reduce risk of discharge of oil and other hazardous materials. The Maritime

Administration has also developed and implemented best management practices for fleet operations that further enhance our stewardship of the environment

SHIP DISPOSAL APPROPRIATIONS AND DISTRIBUTION OF FUNDS

15. Please update the table on page 277 of the fiscal year 2009 hearing record listing and explaining the actual distribution of all funds appropriated for ship disposal over the last ten years. Please include the subdivided line items that constitute the enacted, annual appropriation designated for the purpose of ship disposal over this time period.

Response: Annual Appropriations and Expenses

Fiscal Year	Appropriation Level/Source	Distribution of Vessel Disposals & Support Actions	Funds Amounts
FY 93-00	$0	N/A *48 ships sold for foreign recycling* *13 ships sold for domestic recycling* *4 domestic legislative donations*	N/A
FY 01	$10M DOD	EXPORT BUILDER EXPORT CHALLENGER LYNCH GEN. ALEXANDER M. PATCH WAYNE VICTORY WOOD COUNTY General Agent Services Contracting Expenses *1 ship domestically reefed*	$1,613,348.00 $2,473,600.00 $544,417.00 $2,033,956.00 $901,759.00 $789,715.00 $1,406,980.00 $236,225.00
FY 02	$0	N/A	N/A
FY 03	$20M DOD $11.088M DOT	LORAIN COUNTY MIRFAK PRP/Able UK 15 Ships CATAWBA VICTORY SANTA ELENA MORMACDAWN ALBERT. E. WATTS MARINE FIDDLER OPPORTUNE PETREL ROBERT C. CONRAD GAGE	$180,000.00 $414,768.00 $14,846,338.00 $1,135,915.00 $1,349,185.00 $1,313,697.19 $3,966,254.28 $1,245,011.70 $135,412.70 $166,995.00 $100,485.00 $490,000.00

		Salaries Contract Support Fleet Support Travel/Misc	$231,313.00 $146,090.00 $305,403.00 $55,779.00
FY 04	$16.115M DOT	AMERICAN BANKER SANTA CRUZ AMERICAN RANGER SANTA ISABEL MORMACWAVE	$1,289,848.23 $1,009,885.00 $796,051.55 $970,772.00 $1,375,135.00
		DONNER PROTECTOR GEN. WILLIAM O. DARBY GEN. NELSON M. WALKER MORMACMOON LAUDERDALE DOT Overhead/Rent Salaries Environmental Assessments Env, Safety & Health Support Travel/Misc *2 vessels sold for domestic recycling*	$559,554.93 $533,042.14 $1,092,878.00 $1,336,350.00 $1,284,503.00 $956,520.00 $195,435.00 $519,401.00 $217,021.99 $110,860.00 $84,758.06
FY 05	$21.443M DOT $19.549M Ship Disposal $1.984M Savannah	SHIRLEY LYKES NEOSHO WABASH (EX AOG 4) WAHKIAKUM COUNTY TIOGA COUNTY SUNBIRD MIZAR NEPTUNE ALBERT J. MEYER SANTA LUCIA NEMASKET MARSHFIELD VICTORY PRESERVER CONNECTICUT WACCAMAW PAWCATUCK PYRO MAUNA KEA MONTICELLO MISSISSINEWA NS SAVANNAH DOT Overhead/Rent Salaries	$849,800.00 $1.00 $1,366,580.00 $1,102,850.00 $1,122,850.00 $85,920.00 $238,900.00 $398,601.00 $396,371.00 $565,827.00 $1,224,100.00 $335,000.00 $107,640.00 $1,299,327.00 $496,319.00 $515,309.70 $747,722.63 $754,549.55 $889,972.35 $0.02 $1,581,111 $233,359.00 $858,000.00

		Env, Safety & Health Support Travel/Misc Historic Artifact Removals *1 vessel sold for domestic recycling*	$163,608.00 $63,801.00 $22,009.00
FY 06	$20.79M DOT $17.82M Ship Disposal $2.97M Savannah	POINT LOMA FLORENCE HOWARD W. GILMORE BEAUJOLAIS PRIDE II BRINTON LYKES ORION SAUGATUCK OCCIDENTAL VICTORY HANNIBAL VICTORY	$897,792.00 $996,992.00 $742,675.00 $1,047,137.00 $591,584.00 $555,211.81 $734,230.00 $549,999.00 $1,297,207.00 $1,236,530.00
		SIOUX FALLS VICTORY BARNARD VICTORY RECLAIMER CLAMP FLORIKAN NS SAVANNAH DOT Overhead/Rent DHS Overhead Salaries Environmental Expenses Env, Safety & Health Support Travel/Misc Historic Vessel Assessments *5 vessels sold for domestic recycling*	$978,698.00 $1,376,699.00 $363,484.00 $363,484.00 $396,384.00 $2,701,169 $233,250.00 $74,926.00 $794,154.00 $984,081.00 $447,250.00 $102,245.00 $87,813.00
FY 07	$21.10M DOT $17.82 Ship Disposal $2.97M Savannah	TEXAS CLIPPER I *(Reefing)* MARYLAND (TEXACO) MAUMEE VULCAN QUEENS VICTORY JASON GEN VANDENBERG *(Reefing)* CAPE CLEAR STATE LAKE DUTTON NS SAVANNAH (Includes Reprogramming)	$1,500,000.00 $400,000.00 $405,726.00 $494,000.00 $1,180,000.00 $1,426,035.00 $1,250,000.00 $537,726.00 $851,194.00 $454,690.00 $997,294.00 $8,648,657.00

		DOT Overhead/Rent Salaries Environmental Expenses Env, Safety & Health Support Travel/Misc Historic Vessel Assessments *3 vessels sold for domestic recycling* *3 vessels sold for foreign reuse* *2 vessels domestically reefed*	$250,000.00 $790,086.00 $1,767,458.00 $402,500.00 $138,004.00 $142,750.00
FY08	$17.00M DOT $12.30M Ship Disposal $4.70M Savannah	HOIST SPHINX PRIDE CAPE CHARLES SOUTHERN CROSS SCAN BANNER CAPE CARTHAGE CAPE CATOCHE DEL VIENTO NS SAVANNAH DOT Overhead/Rent Salaries Environmental Expenses	$95,000.00 $695,000.00 $468,609.00 $488,965.00 $617,600.00 $479,678.00 $532,726.00 $400,726.00 $454,726.00 $280,654.00 $4,857,542.00 $75,000.00 $890,764.00 $1,784,477.00
		Env, Safety & Health Support Travel/Misc *16 vessels sold for domestic recycling* *1 vessel donated to Greece*	$400,000.00 $135,186.00
FY 09	$15.M DOT $12.M Ship Disposal $3M Savannah	SAVANNAH (EX-AOR-4) PIONEER CONTRACTOR HATTIESBURG VICTORY ORTOLON GULF SHIPPER GAGE CAPE COD ESCAPE NS SAVANNAH* DOT Overhead/Rent Salaries Environmental Expenses Env, Safety & Health Support Travel/Misc *5 vessels sold for domestic recycling*	$515,726.00 $321,000.00 $1,016,000.00 $325,090.00 $145,726.00 $564,910.00 $328,122.00 $115,200.00 $3,300,000.00 $315,000.00 $1,100,000.00 $1,034,224.00 $200,000.00 $150,000.00

FY 10*	$15.M DOT $12.M Ship Disposal $3M Savannah	PAN AMERICAN VICTORY EARLHAM VICTORY RIDER VICTORY WINTHROP VICTORY MISSION SANTA YNEZ GEN. EDWIN PATRICK GEN. JOHN POPE GETTYSBURG TALUGA MONTICELLO NS SAVANNAH* 6 Additional Ships (Projected) DOT Overhead/Rent Salaries Environmental Expenses Env, Safety & Health Support Travel/Misc *0 vessels sold for domestic recycling* *1 vessel artificially reefed*	$1,599,923.00 $1,668,313.00 $1,608,082.00 $1,449,857.00 $2,109,132.86 $1,587,457.00 $1,462,510.50 $1,523,960.50 $1,575,962.50 $148,000.00 $3,129,000.00 $9,723,465.57 $300,000.00 $1,295,000.00 $2,575,000.00 $286,000.00 $240,000.00
Notes: 1) * FY 10 Figures for Disposal Actions are for contract awarded through June 15, 2010. Figures for non-vessel expenses are projections. 2) NS SAVANNAH is a retention vessel & entries are for maintenance costs 3) Final contract amounts are subject to requests for equitable adjustment contract dispute resolutions or litigation.			

SHIP DISPOSAL DEADLINE

16. How many ships downgraded to non-retention status and are currently in the Maritime Administration's ships disposal queue?

Response: There are currently 73 non-retention vessels not yet under contract and available for disposal.

17. What is the total number of ships MARAD expect to have in its queue by the end of fiscal year 2010?

Response: By the end of FY 2010, it is anticipated there will be approximately 69 non-retention ships in the inventory.

18. California determined that MARAD must comply with environmental laws regarding ship cleaning. How is this affecting MARAD's ship disposal program currently? What future

impact will it have on the program? Please describe the recent events regarding the ship disposal program in California.

Response: The 2007 lawsuit by the National Resources Defense Council (NRDC) et al in California that curtailed removal of Suisun Bay Reserve Fleet (SBRF) ships for disposal between January 2007 and December 2009 has been settled. The parties signed the Consent Decree on March 31, 2010, which was approved by the U.S. District Court for the Eastern District of California on April 14, 2010. Under the agreement, MARAD will clean, maintain and dispose of these ships in a manner that eliminates sources of San Francisco Bay pollution.

Ahead of the settlement, MARAD began removing obsolete ships from the SBRF. Eight (8) ships have been removed since November 2009, and two (2) additional vessels are scheduled to be removed in July 2010. Under the Consent Decree, MARAD's focus will be on the removal of SBRF vessels for 2010 and 2011. A total of 49 obsolete ships remain at the SBRF awaiting removal compared to 15 obsolete ships in the James River Reserve Fleet in Virginia, and 11 ships in the Beaumont Reserve Fleet in Texas. The Consent Decree includes a schedule for the removal of exfoliating paint from SBRF vessels and removal of all the vessels from the fleet for disposal.

The terms of the Consent Decree include hazardous paint debris collection from vessel decks within 120 days, vessel horizontal surfaces cleaned every 90 days to prevent peeling paint from getting into the water, water runoff samples collected on a regular basis and monthly and quarterly inspections conducted. Additionally, all ships will be cleaned of flaking paint within 2 years and no new ships with excess flaking paint will be admitted to the SBRF. The SBRF is operating under an approved Storm Water Pollution Prevention Plan and as such ships moored at the fleet are maintained according to locally approved best management practices, as monitored by the California Regional Water Quality Control Board. The 28 ships in the worst condition will be removed for disposal by September 30, 2012, with all remaining ships currently located at the SBRF removed for disposal by September 30, 2017. Prior to disposal, all ships will be sent to a local drydock for removal of marine growth from the underwater hulls and flaking paint from areas above the water. The implementing regulations to the National Invasive Species Act requires the underwater hulls of MARAD non-retention ships to be cleaned of marine growth prior to being towed to other bio-geographical areas for recycling.

Prior to the settlement and the requirement to drydock ships to remove underwater marine growth, the mitigation costs associated with the in-water hull cleaning ranged from $100-$200K per ship. Actual cost data for the dry-docking of the first nine (9) SBRF ships to remove marine growth is an average of $673K per ship -- a significant increase over in-water method costs. Without additional drydock competition and capacity in the San Francisco bay area, it is possible that costs at this level will be incurred with all 49 remaining non-retention SBRF ships. Drydocking costs are in addition to the costs normally associated with dismantling and recycling the ships as are costs related to towing SBRF ships 5,000+ miles to the nearest Gulf Coast recycler. Prior to 2006 there were no disposal costs associated NISA and the removal of marine growth from vessel hulls.

In addition to these costs, the settlement terms also affect the removal rate of ships for disposal. Regulatory compliance in the form of activities related to administration, remediation, mitigation, permitting and litigation all lengthen and delay the ship disposal process and cycle.

These delays in turn decrease the rate at which vessels can be awarded and removed to recyclers for disposal. The high and moderate disposal priority vessels remaining in California pose a greater threat to the environment than the ships currently moored in MARAD's Texas and Virginia fleets.

SAVANNAH DISPOSAL

19. Please provide the most recent cost and schedule estimates to dispose of the Nuclear Ship Savannah. Please include a timeline for this project and the funding needed for each phase going forward.

Response: MARAD respectfully directs the Committee to its December 2008 Post Shutdown Decommissioning Activities Report (PSDAR) for a comprehensive discussion of all matters related to decommissioning and disposal of the N.S. *Savannah,* including detailed cost and schedule estimates. The PSDAR is a required submittal to the Nuclear Regulatory Commission (NRC), the agency that licenses and regulates the nuclear facilities housed onboard the *Savannah.* The PSDAR can be downloaded from the NRC website at the following address: http://www.nrc.gov/reading-rm/adams.html under accession number ML083500100 (verified June 11, 2010) or provided upon request.

On June 4, 2010, the Maritime Administration submitted its annual Decommissioning Funds Status Report to the NRC. This report updates some of the PSDAR cost and schedule information; a copy of this report is included herein.

The deadline for completing decommissioning and license termination is December 2031. The DECON method of decommissioning will eventually be used to dismantle, remediate and dispose of the systems, structures and components of the nuclear power plant. NRC will perform confirmatory surveys after DECON is complete, and provided these are satisfactory, will terminate the license. After license termination, the ship will become available for re-use, preservation, or disposal. MARAD estimates that six (6) calendar years will be required to complete DECON after receipt of funds. The most recent engineering estimate for DECON was prepared in October 2008 and is included in the PSDAR; this estimate was approximately $78M. Adjusting forward to October 2010, MARAD estimates that $82M is required to complete DECON. The latest date at which DECON funds can be provided and still meet the 2031 license termination deadline is October 2025. MARAD plans to make comprehensive biennial updates to the DECON estimate. The updated estimates will be included in MARAD's Environmental Liability Report and its annual NRC Decommissioning Funds Status Report.

MARAD decided to defer the DECON project in late 2006If DECON remains deferred for any substantial period, MARAD plans to return the ship to a protective storage condition defined by the NRC as SAFSTOR. To do so, MARAD must complete a series of engineering and environmental surveys, make certain facility improvements, and complete a limited scope of radiological and environmental remediation activities prior to placing the ship into a retention facility (such as a MARAD reserve fleet site). This process requires two (2) calendar years to complete after receipt of funds. The SAFSTOR project estimate currently stands at $8.5M, and is exclusive of the annual $3M husbandry and maintenance costs currently requested. If implemented in October 2010, the *Savannah* could be placed into a retention site as early as December 2012. Without capital funds to perform the SAFSTOR work scope, MARAD must continue to maintain an active stewardship posture on the vessel, with annual requirements approximately equal to the budget requests submitted in FY 2010 and 2011.

MARAD has no current plan to dispose of the *Savannah* after NRC license termination because the *Savannah* is a National Historic Landmark. Therefore, MARAD is concentrating its short and intermediate term efforts towards defining the appropriate scope of historic preservation activities within the NRC decommissioning process. Towards that end, MARAD is working closely with the NRC, the ACHP and the National Park Service. Given the nature of the ship's construction, at some point it may be feasible to give preferential weight towards future preservation when planning and undertaking specific nuclear facility dismantling activities. However, practical and economical long-term preservation opportunity has not yet materialized. Should long-term preservation not be feasible after DECON, the *Savannah* will be ready to be disposed of in any of the manners available to MARAD's Ship Disposal Program after the DECON project is complete and the NRC license terminated.

20. Please provide a table showing the amount by year provided to SAVANNAH disposal (include the fiscal year 2011 requested level).

Response:

N.S. *Savannah* Decommissioning Funding Approximate ($ in 000)

	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11
Request	$2.000	$3.000	$9.970	$4.704	$3.000	$3.000	$3.000
Appropriation	$1.900	$2.970	$2.970	$4.704	$3.000	$3.000	TBD
Difference	($0.100)	($0.030)	($7.000)	-	-	-	-
Reprogramming	-	-	$5.300	-	-	-	-
Difference	-	-	($1.700)	-	-	-	-

Note: FY 07 Reprogramming of $5.3 million was requested to support drydocking of the ship, which was accomplished in January-March 2008.

SHIP DISPOSAL FUNDING AND COSTS

21. What is the average overhead cost to dispose of a vessel using a domestic facility? What is the median overhead cost of using a domestic facility? Please provide the actual overhead costs for all vessels disposed of using domestic facilities since 2002, when MARAD was authorized to expend appropriated funds for purchase of ship disposal services.

Response: The average cost per vessel and cost per ton to dispose of vessels using domestic facilities from FY 2002 through May 1, 2009 was $124 per ton. This data does not include vessels sold for domestic recycling. This data includes initial contract costs for projects that are not completed, so final cost figures may be greater.

Annual Ship Disposal Program Cost Per Ton and Cost Per Vessel (Based on Vessels Awarded in each Fiscal Year)									
Annual Amounts	**FY02**	**FY03**	**FY04**	**FY05**	**FY06**	**FY07**	**FY08**	**FY09**	**FY10***
Average Cost/Ton	$127	$248	$118	$113	$139	$114	$62	$79	$218
Average Cost/Vessel	$484,858	$1,715,483	$1,022,481	$657,947	$811,980	$780,382	$417,208	$480,499	$1,620,578
Median Cost/Ton	$126	$204	$105	$98	$135	$85	$73	$66	$320
Median Cost/Vessel	$484,858	$1,313,697	$1,009,885	$565,827	$738,453	$485,520	$427,726	$407,820	$1,587,457

*FY10 is through June 15, 2010

The figures in the table are for service type contracts only. The acquisition vehicle for the award of vessel disposal contracts is a commercial services contract. Under the guidelines for this type of contract only the single total bid amount is used for evaluation purposes; therefore, no labor, material, or overhead figures are available or collected from the contractors.

22. What is the total unobligated balance of the ship disposal account?

Response: As of June 10, 2010, the total unobligated balance of the ship disposal account was $18,943,686. This figure does not include costs related to five (5) currently pending ship recycling contract awards for SBRF vessels. The estimated award date for those five ships is the end of July 2010.

MARITIME GUARANTEED LOAN PROGRAM (TITLE XI)

23. What is the current composition of the MARAD's Title XI Program in terms of outstanding loan guarantees and commitments?

Response: As of May 31, 2010, the Title XI portfolio was over $2.086 billion

24. What is the current, unobligated balance of this account?

Response: As of May 31, 2010, there is $76.6 million of unobligated subsidy authority available for new Title XI financing.

25. Please list all current completed applications awaiting action from MARAD. For each pending application, please explain why action has not been taken to date.

Response: MARAD has six pending applications, of which none is complete. They are:

1. Rowan Companies, Inc. - awaiting information from applicant.
2. Boldini, S.A. - awaiting information from applicant.
3. Penn Marine Transport, Inc. - reviewing information submitted by applicant.
4. OSG Delaware Bay Lightering LLC – application forwarded for external review and agency reviewing information from applicant.
5. Vessel Management Services, Inc. - awaiting information from applicant.
6. Overseas ST Holdings LLC - awaiting information from applicant.

26. Of the funds provided for title XI in the last five years, how much has been obligated, and for what purposes. How much remains unobligated?

Response: Over the past five years, we have obligated the following subsidy amounts:

New Loans		**Amount of Subsidy Approp. Obligated**
Hawaii Superferry	$	36,413,898.60
Vessel Management Service	$	15,588,417.00
Canal Barge	$	1,856,355.00
Foss Maritime Company	$	1,399,982.00
	$	55,258,652.60

The current unobligated balance of subsidy authority is $76.6 million. The Maritime Administration fully intends to obligate $3.688 million of administrative expenses in FY 2011.

27. Over the last five years, how many loans have defaulted and what is the associated total value of these defaulted loans?

Response: During the last five years, there have been five loan defaults with a total value of $308.8 million.

28. Please list the loans awarded (approved applications) over the last ten years. Please include the status of each loan.

Response:

10-Year Title XI Portfolio History ($000)			
Cohort	Company	Original Loan	Status
2000	Rowan Companies, Inc. (3)	$185,398	Active
2000	Global Industustries, Ltd (3)	$99,000	Active
2000	Manson Construction Co. (2)	$8,690	Active
2000	Cape Cod Light LLC	$38,500	Defaulted
2000	Cape May Light LLC	$37,900	Defaulted
2000	Port Imperial Ferry Corp. (2)/Billybey Ferry LLC	$5,398	Active
2000	Penn Tug & Barge, Inc.	$20,918	Active
2000	Pasha Hawaii Transport Lines	$70,442	Active
2000	Cal Dive I – Title XI, Inc.	$160,182	Active
2000	Maybank Navigation Co. (2)	$5,000	Paid Off
2000	Vessel Management Services (2)	$35,750	Active
2000	Puerto Quetzal Power	$73,000	Paid Off
2000	ENSCO Barbados (Chiles Galileo)	$81,000	Active
2001	Vessel Leasing LLC	$43,513	Paid Off
2001	Rowan Companies, Inc. (4)	$187,295	Active
2001	Great Pacific NW Cruise Line	$35,471	Defaulted
2001	Vessel Management Services (3)	$58,207	Active
2001	Totem Ocean Trailer Express	$172,500	Active
2001	Alter Barge Line, Inc	$20,327	Paid Off
2001	Sterling Equipment	$8,879	Active
2001	Reinauer Maritime Co.	$52,131	Active
2001	Penn Transport, Inc	$38,409	Active
2001	Canal Barge Company (6)	$13,128	Active
2001	Vessel Management Services (4)	$60,909	Active
2002	America West Steamboat Co	$45,137	Defaulted
2002	Superior Energy Liftboats	$20,241	Active
2002	Perforadora Central S.A. de C.V.	$87,933	Active
2002	K-Sea Transportation LLC	$40,441	Paid Off
2002	Port Imperial Ferry Corp. (3)/ Billybey Ferry LLC	$7,959	Active
2002	Guam Industrial Services	$4,244	Active
2002	Vane Line Bunkering, Inc.	$11,444	Active
2002	Port Imperial Ferry Corp. (4)/ Billybey Ferry LLC	$7,954	Active
2003	Matson Navigation Company, Inc.	$150,000	Active
2003	Rowan Companies, Inc. (5)	$180,856	Active
2003	Lake Express, LLC	$14,500	Active
2004	Totem Ocean Trailer Express (2)	$140,000	Active

2004	Vane Line Bunkering, Inc. (2)	$11,969	Active
2004	Petrodrill Four & Five Increase	$21,869	Active
2005	Hawaii Superferry, Inc.	$139,731	Defaulted
2009	Vessel Management Service	$269,230	Active
2009	Canal Barge	$41,030	Active
2010	Foss Maritime	22,544,000	Active

29. Please summarize any rescissions in this program in table format by year for the last ten years. Please provide an explanation of the rescission in the table.

Response:

Federal Ship Financing Program (Title XI) Rescission by Fiscal Year ($000)										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Subsidy Funds	$7,710	$5,000	$0	$0	$0	$0	$0	$0	$0	$0

Over the last ten years there have been two occasions when Title XI subsidy funds have been specifically rescinded. The first rescission occurred in FY 2001 when $7,710,000 in subsidy appropriation was rescinded from 1997 appropriated funds. The second rescission occurred in FY 2002 when $5,000,000 in subsidy appropriation was rescinded from the unobligated subsidy balance.

30. Please delineate the line item costs that constitute administrative expenses for this program.

Response: The FY 2010 spending projection for administrative expenses includes the following: Salary& Benefits $2.721 million, Allocated Overhead and Other Support Costs $.967 million. The total projection is $3.688 million.

31. Please list every time the Credit Council has met to review Title XI applications for fiscal year 2009 and 2010 to date. Please indicate what applications were discussed.

Response: The Credit Council met five times during FY 2009 and 2010 to review Title XI applications. The following are the dates they met and the applications discussed:

- December 12, 2008 – Vessel Management Services, Inc.
- September 17, 2009 – Canal Barge Company, Inc.
- December 8, 2009 and January 22, 2010 – Foss Maritime Company
- April 9, 2010 – OSG Delaware Bay Lightering LLC, Overseas ST Holdings LLC, Vessel Management Services, Inc., and Rowan Companies, Inc.

32. Please describe each position in the office responsible for administering the Title XI program.

Response:

Office of Chief Counsel – This office provides legal services and staff support on the loan application review process, legal advice for foreclosure and bankruptcy issues, as well as any other legal services to support the Title XI program. (2.8 FTE)

Office of the Assistant Administrator – This office provides economic analysis and forecasting support to the Title XI program. (0.3 FTE)

Associate Administrator for Budget & Programs/CFO – This office provides central budget formulation and execution, accounting, financial management and funds control support to the Title XI program. (1.3 FTE)

Administrative Services Organization – This office provides general administrative support, including human resources, procurement, management services and other clerical services, in support of the Title XI program. (0.6 FTE)

Associate Administrator for Environment & Compliance – This office evaluates loan applications for National Environmental Policy Act (NEPA) related issues to determine whether the application can be categorically excluded or whether a NEPA analysis is required, in support of the Title XI program. (0.1 FTE)

Associate Administrator for National Security- This office assists the Title XI program through supporting and maintaining Title XI vessels in custody of MARAD. (1.1 FTE)

Associate Administrator for Business & Workforce Development – This office provides general administrative support, program management and oversight, subsidy analysis, costs and reimbursement analysis, microeconomic analysis, advises on existing portfolio, evaluation of technical aspects of applicant vessels, monitoring of borrower's insurance compliance, and arranges for insurance coverage of defaulted assets in support of the Title XI program. (8.4)

33. In table format, please identify each vacant position in this office and the period for which the position has been vacant. Please provide an explanation for any extended periods of vacancy.

Response:

	Vacant FTE	Period of Vacancy
Associate Administrator for Business & Workforce Development	2	01/14/2009- Current

The Associate Administrator for Business and Workforce Development office has two Financial Analyst vacancies that are currently vacant. The selecting official has been unable to find qualified candidates that can perform the assigned duties of the position.

TITLE XI OVERSIGHT

34. The fiscal year 2005 Appropriations Act allowed MARAD to use up to $2 million of the $25 million provided for title XI loans in P.L. 108-11 for development of a comprehensive computer based financial monitoring system. Has all the funding been expended? Is the system operational and in-use?

Response: The Credit Programs Portfolio Management System (CPPMS) is on-line, but does not have full functionality. Of the $2 million obligated, $265,137.20 is unexpended.

SHIP CONSTRUCTION ACCOUNT

35. What is the unobligated balance in the dormant ship construction account?

Response: There is no unobligated balance in the Ship Construction Fund.

STATE MARITIME SCHOOLS

36. Covering each of the last five years, please provide a table showing total enrollment for state maritime schools, the total number enrolled in the Student Incentive Payment (SIP) program and the percentage of enrolled students that are SIP participants.

Response:

TOTAL ENROLLMENT AT THE STATE MARITIME ACADEMIES			
Class Year	Total State Maritime Academy Enrollment	Total State Maritime SIP Enrollment	Percentage of SIP Enrollment to Total Enrollment
2005	3,794	138	3.6%
2006	4,040	141	3.5%
2007	4,672	151	3.2%
2008	4,933	192	3.9%
2009	5,182	168	3.2%
5 Year Total	**22,621**	**790**	**3.5%**

37. Covering each of the last five years, please provide a table showing total graduates from the state maritime schools, the total number of graduates in the SIP program and the percentage of graduating students that are SIP participants.

Response:

TOTAL GRADUATES OF THE STATE MARITIME ACADEMIES			
Class Year	Total Graduates	Total SIP Graduates	Percentage of SIP Grads to Total Graduates

2005	607	35	5.8%
2006	683	40	5.8%
2007	845	48	5.6%
2008	911	48	5.3%
2009	933	41	4.4%
5 Year Total	**3,979**	**212**	**5.3%**

38. What is MARAD's current estimate for the total demand (number of students) for the SIP program in fiscal year 2010 and fiscal year 2011?

Response: At $8,000 per student, the enacted FY 2010 level of $2.1 million will allow for 268 students. The requested FY 2011 amount of $2.0 million will allow for 250 students.

39. How much would it cost in fiscal year 2011 to ensure that all six training ships are in a state of good repair, consistent with statute?

Response: The Maritime Administration is mandated by law to maintain each ship in a state of "good repair", i.e. all regulatory requirements are fully met, and ensuring that the ship is structurally and mechanically sound, well preserved and equipped, and operates reliably. The requested level of $11.2M is adequate to meet this requirement.

The Certification of Inspection (COI) issued by USCG has the TEXAS CLIPPER currently listed as a cargo ship. At this time, the Texas Maritime Academy is sending cadets for training on the GOLDEN BEAR because the TEXAS CLIPPER is not operational as a training ship and cannot be used in that capacity until converted. While the ship is in good material condition, it is only capable of acting as a cargo ship. However, it is being used as a training lab while tied up at the academy.

40. Please provide a table with the total dollar amount obligated on maintenance for each of these ships for the past five years.

Response:

Schoolship Maintenance and Repair Obligations
($,000)

	FY06	FY07	FY08	FY09	FY10 Est.
STATE OF MAINE	$964	$3,898	$1,879	$1,767	$2,400
EMPIRE STATE	$657	$2,103	$621	$1,984	$2,000
ENTERPRISE/KENNEDY	$1,499	$2,417	$1,424	$946	$4,100
TEXAS	$132	$430	$627	$401	$1,061
GOLDEN BEAR	$1,242	$1,358	$3,988	$4,240	$1,500
STATE OF MICHIGAN	$68	$92	$719	$1,332	$700
TECHNICAL SUPPORT			$148	$16	$915
TOTAL	$4,562	$10,298	$9,406	$10,686	$12,676

Notes: TS ENTERPRISE was renamed to the TS KENNEDY in FY 2009.
Carryover funding from one fiscal year to the next fiscal year balance annual work requirements, address 1st quarter funding requirements, and maintain funds for unanticipated requirements.

- $2.4M was carried over from FY 2009
- $2.3M was carried over from FY 2008
- $1.2M was carried over from FY 2007
- $3.7M was carried over from FY 2006, in order to fund 3 major drydockings in FY 2007

41. In table format, please provide an estimate of the total dollar amount that will be needed for each ship to keep them in good repair for the next five years.

Response:

SCHOOL SHIP OUTYEAR WORK PLANS AND BUDGETS								
	ITEMS	STATE OF MAINE	KENNEDY	EMPIRE STATE	TEXAS CLIPPER	GOLDEN BEAR	STATE OF MICHIGAN	TOTALS
FY10	M & R	$1,900	$3,600	$1,740	$1,800	$1,500	$700	$11,240
	RECAP							
	TOTAL							$11,240
FY11	M & R	$1,800	$1,800	$2,700	$2,607	$1,850	$250	$11,007
	RECAP							
	TOTAL							$11,007
FY12	M & R	$2,000	$2,400	$2,062	$2,200	$2,000	$400	$11,062
	RECAP							
	TOTAL							$11,062
FY13	M & R	$2,200	$2,200	$2,200	$3,000	$3,000	$500	$13,100
	RECAP	$5,000		$25,000		$5,000		$35,000
	TOTAL							$48,100
FY14	M & R	$2,200	$2,200	$2,200	$2,200	$2,200	$1,000	$12,000
	RECAP	$5,000	$4,000	$50,000			$1,000	$60,000
	TOTAL							$72,000
FY15	M & R	$2,200	$4,200	$2,200	$4,200	$2,200	$1,500	$16,500
	RECAP				$4,000	$5,000	$1,000	$10,000
	TOTAL							$26,500

42. Please explain any cost increases for each year's projection (relative to that of the prior year) for each ship from the previous question.

Response: Additional costs across all schoolships are reflected in the outyears to ensure vessels meet statute requirements. Failure to maintain vessels to statute requirements and in a reliable manner will result in a greater risk to vessel safety, failure to support school requirements, and not able to depart on schedule. In the fiscal years FY2013 through FY2015 (three continuous years), an additional $10 million/year for a total of $30 million will be required to advance the recapitalization of these six training ships.

Funding will be used to modify fuel oil piping/tanks for the steam propulsion plants, to re-engine the respective ship's Main Engine (ME) and Ship's Service Diesel Generators (SSDGs) and to upgrade respective electrical power switchboards within the fleet. As part of these recapitalizations, "Green Initiatives" will be funded onboard the training ships, demonstrating MARAD's dedication to environmental stewardship.

These funds will permit the training ships to comply with current IMO, MARPOL, EPA, state and local requirements regarding effluent discharges and air emissions. Increasing parts of the world's oceans are now "zero-liquid discharge" and "zero-waste discharge" zones. Furthermore, MARPOL Annex VI limits the sulphur and nitrogen oxide emissions from ships exhaust systems and also prohibits the emissions of ozone depleting substances. "Emission Control Areas or Zones", in line with Annex VI, are now becoming prevalent worldwide.

The EMPIRE STATE will exceed the age of 50 years in 2012. In the near term, it will not be cost effective to accomplish the necessary repairs and overhauls to retain the vessel in safe and reliable service. To meet the requirements of SUNY Maritime College, a replacement vessel, converted to meet Code of Federal Regulations (CFRs) concerning Public Nautical School Ship requirements, must be ascertained and converted. Several potential platforms within the existing Navy inventory and the MARAD National Defense Reserve Fleet (NDRF) inventory are currently being evaluated. The total recapitalization and conversion cost is estimated to be approximately $75 million for a replacement vessel with a 750 person capacity to support the school's requirements. The initial phase of this conversion is estimated to cost $25 million and is identified in FY 2013. An additional $50 million is identified in FY 2014 to complete the conversion.

SCHOOLSHIP MAINTENANCE AND REPAIR (SMR)

43. Please provide a tabular summary of the fiscal year 2009 State Maritime Academy SMR program including all related and antecedent costs per School Ship.

Response:

State Maritime Academy Vessel	FY09
STATE OF MAINE	$1,767
EMPIRE STATE	$1,984
ENTERPRISE	$946
TEXAS	$401
GOLDEN BEAR	$4,240
STATE OF MICHIGAN	$1,332
TECHNICAL SUPPORT	$16
TOTAL	$10,686

ENROLLMENT IN UNITED STATES MERCHANT MARINE ACADEMY/STATE MARITIME SCHOOLS

44. How does enrollment at State Maritime Schools compare to enrollment at the USMMA? Please provide a five year historical trend on enrollment at all schools. Please also include the graduation rates and the average length of time it takes students to graduate.

Response:

CLASS YEAR	USMMA ENROLLMENT TOTAL[1]	STATE MARITIME ACADEMY ENROLLMENT TOTAL
2005	979	3,794
2006	996	4,040
2007	974	4,672
2008	976	4,933
2009		5,182
5 Year Total		**22,621**

Note: USMMA data provided for the classes of 2006, 2007 and 2008 were provided by the USMMA Office of the Commandant. These are the enrollment totals recorded the 1st day of classes of that academic year.

The following is the date/statistics for the USMMA:

U.S. Merchant Marine Academy
Table 1: Analysis of Graduation Statistics 2005-2009

Class	2005		2006		2007		2008		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Graduates	218	71.7%	202	71.4%	213	72.0%	213	72.0%	198	74.4%
Deceased	2	0.7%	1	0.4%	1	0.3%	0	0.0%	2	0.8%
Disenrolled	25	8.2%	24	8.5%	20	6.8%	23	7.8%	13	4.9%
Resigned	59	19.4%	56	19.8%	62	20.9%	60	20.3%	53	19.9%
Total	304	100.0%	283	100.0%	296	100.0%	296	100.0%	266	100.0%
Total New Admission	240	78.9%	235	83.0%	252	85.1%	245	82.8%	207	77.8%

[1] These USMMA enrollment totals reflect the number of students enrolled in a four year program that centers on a rigorous combination of academic, sea based and regimental training and education leading to a Bachelor of Science Degree, a US Coast Guard license for service on unlimited tonnage oceangoing vessels, and a commission upon graduation. All graduates incur an obligation to the Maritime Administration, and if awarded a commission, to the Department of Defense.

s										
Setback Adjust	64	21.1%	48	17.0%	44	14.9%	51	17.2%	59	22.2%
	304	100.0%	283	100.0%	296	100.0%	296	100.0%	266	100.0%
Resigned Prior 10/15	22	7.2%	25	8.8%	25	8.4%	22	7.4%	28	10.5%
Graduates	218	77.3%	202	78.3%	213	78.6%	213	78.0%	198	83.2%
Deceased	2	0.7%	1	0.4%	1	0.4%	0	0.0%	2	0.8%
Disenrolled	25	8.9%	24	9.3%	20	7.4%	23	8.4%	13	5.5%
Resigned	37	13.1%	31	12.0%	37	13.7%	38	13.9%	25	10.5%
	282	100.0%	258	100.0%	271	100.0%	273	100.0%	238	100.0%

(Source: USMMA Office of the Registrar)

U.S. Merchant Marine Academy

Table 2: Analysis of Average Time to Graduation for Incoming Cohorts 1999 – 2003

AY Filing	Cohort year	Total Cohort	Total Graduates		4 years		5 years		6 years	
2009-10	2003	280	216	77.1%	191	88.4%	23	10.6%	2	0.9%
2008-09	2002	280	169	60.4%	150	88.8%	17	10.1%	2	1.2%
2007-08	2001	260	204	78.5%	170	83.3%	31	15.2%	3	1.5%
2006-07	2000	269	190	70.6%	158	83.2%	13	6.8%	19	10.0%
2005-06	1999	272	178	65.4%	135	75.8%	35	19.7%	8	4.5%

(Source: USMMA Office of the Registrar, per IPEDS filing data)

Note:The information provided in the previous two tables is intended to provide an historical analysis of graduation rates and time to graduation. Each table considers the most recent 5 year period; however, by definition, the time periods must be 1999-2003 and 2003-2009 to be considered most recent.

Table 1 shows the graduation rates from 2003-2009, the most recent graduation data, and account for the fact that a certain group of students may start on a certain day, but they are joined over the years by students setback from earlier years, while other students may themselves be setback to a later class. Of the number of people in a class, no matter when they started, these numbers show the outcome.

Table 2 shows the incoming cohorts from 1999-2003, the groups of students that enter the gate as a cohort and how long it takes them to reach graduation day. Others may join their "graduating class" but they do so from another "incoming cohort" and are not part of these statistics. Given that those entering in 2003 might have taken 6 years to graduate, this becomes the most recent data available.

It should be noted that the comparison of these statistics to others provided by other colleges and universities may result in a comparison of "apple to oranges" if underlying principles and assumptions are not clearly understood. For example, each and every student that comes to USMMA must sit for a USCG license exam; there is no other program of study. Some of these students may be foreign nationals and, by definition, would be disqualified from receiving a USCG License even though they had to complete the program of study and the USCG exam itself.

The combined graduation rates at the State Maritime Academies for license and non-license students range from 50%-60%. The graduation rates for the students in the license program range from 60%-70%. The average length of time it takes students to graduate is between four and five years. However, for the license students, the trend is moving towards five years. The reason for this is continually increasing training that is necessary to meet both the domestic and international training standards for licensed mariners. License students are required to take many more courses and internships than the non-licensed programs. A license graduate needs approximately 160 hours to graduate vice 130 hours for non-license students.

MARINE TRADE

45. Please present the data pertaining to the total volume of domestic and international marine trade over the last ten years and projected for the next five years. Please distinguish between domestic and international statistics.

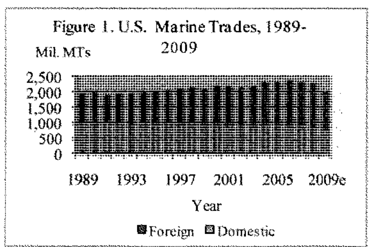


Figure 1. U.S. Marine Trades, 1989-2009

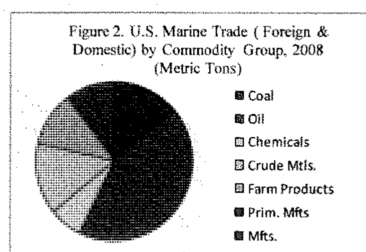


Figure 2. U.S. Marine Trade (Foreign & Domestic) by Commodity Group, 2008 (Metric Tons)

Response: In 2009, U.S. waterborne trades amounted to 2.0 billion metric tons (Figure 1). Foreign trades accounted for 60 percent of the total, up from 52 percent ten years earlier. In the mid 1990's, foreign and domestic trades were about 1 billion metric tons each. By 2009, foreign trade had increased to about 1.2 billion metric tons while domestic trade had fallen to about 0.8 billion metric tons. The decline in the domestic segment was due largely to import substitution in U.S. oil trades.

Table 1. Growth of Marine Trade (Metric Tons) and Real GDP, 1998-2008

	% Change
Domestic Trade	-12.7
Foreign Trade	22.2
Total Trade	5.9
Real GDP	29.4

Primary commodities including petroleum, coal, chemicals, farm products and crude materials accounted for about 90 percent of all U.S. waterborne trade in 2008 based on metric tons (Figure 2). Because they are stockpiled, there can be significant year-to-year fluctuations in the trades as commodity prices change (Industries draw down stocks when they expect prices to fall and vice versa.), and the long-term growth of these trades is generally below real GDP growth.

For example, over the last 10 years, real GDP increased by 29.4 percent while U.S. marine trade increased by only 5.9 percent. Each 1 percent increase in U.S. real GDP was associated with a 0.2 percent increase (5.9/29.4) in total marine trade (Table 1). The foreign segment increased by about 0.8 percent per 1 percent growth in real GDP, while the domestic segment declined by 0.4 percent for each 1 percent growth in GDP.

On this basis, if the economy were to grow by 15 percent over the next five years, marine trade would increase by about 3.0 percent. Over the same period, domestic trades would decline by about 6 percent due largely to the decline in Alaska crude oil production (See EIA Annual Energy Outlook 2010, www.eia.doe.gov)) and coastwise crude oil shipments.

Sources: Domestic Trade – U.S. Army Corps of Engineers, Waterborne Commerce of the United States, www.iwr.usace.army.mil/ndc; Foreign Trade – U.S. Bureau of Census, Foreign Trade Division, www.census.gov/foreign-trade;Real GDP – U.S. Bureau of Economic Analysis, National Income Accounts, www.bea.gov

INFORMATION TECHNOLOGY (IT)

46. How much is MARAD requesting for IT in fiscal year 2010? Please delineate the composition of this request.

Response:

IT Portfolio	MARAD Operations
Operating Environment	2,916
Content Environment	2,971
E-Government	427
Total	**6,314**

FY 2011 Estimated IT Investment:

Operating Environment

$2.9 million is estimated to manage and support the Data Center at Stennis, MS; the COOP site at Piney Point and the Wide Area Network. This funding will also support MARAD's continuous effort to ensure compliance with the Federal Information Security Management Act of 2002 and DOT security directives.

Content Environment

$3.0 million is estimated for continued support and maintenance of over 50 legacy systems critical to the agency's mission including enhancement to the Internet to ensure compliance with OMB and DOT guidelines.

E-Government

$427 thousand is estimated to pay for shared Department of Transportation services.

BALLAST WATER

47. What efforts has MARAD made in regards to preventing invasive species transmitted via ballast water discharge?

Response: The Agency's goals continue to be the establishment of US-based infrastructure required for verification/certification and discharge compliance monitoring (e.g., biological sample collection and analysis) once national discharge regulations are in place. MARAD also continues to support testing of promising technologies. The Agency's efforts are designed to coordinate with Federal agencies and academia to ensure that this occurs. Work accomplished in FY2010 built on past activity associated with establishing infrastructure as well as continuing tests of promising ballast water treatment technologies. The Agency also increased coordination efforts with the US Coast Guard to insure test facility upgrades would be suitable for eventual certification needs. This work will continue in FY 2011 and in the ensuing years.

1. **East Coast Activity**. The Maritime Administration has been involved in the effort toward preventing the transmission of invasive species via ballast water for several years. A large part of the Agency's effort has involved the provision of Maritime Administration ships as research platforms. Maritime Administration staff, many of whom are Naval Architects and Engineers have provided design support for the modification of several of the ships and other watercraft to serve as "plug-and-play" platforms to test promising ballast water treatment technologies and other research activities. Two of the Agency's modified vessels are located in Baltimore and are part of a research partnership that was formed in 2008 with the Maryland Port Administration and the University of Maryland Center for Environmental Science. The partnership, called the Maritime Environmental Resource Center (MERC), provides independent performance testing and facilitates the transition of new treatments to the operating ship environment. In 2009, three technologies were tested in accordance with International Maritime Organization (IMO) Guidelines.

At the end of 2009, it was determined that a mobile barge-based platform could provide additional flexibility to test in various salinities and biota throughout the Chesapeake. MARAD funded the design of the barge, the Port of Maryland is funding modifications to the barge, and MARAD will fund the upgrades to the barge to allow for testing of technologies for Coast Guard Certification purposes. The barge should be ready to commence technology tests by early 2011. In the interim, testing of technologies continues aboard the MARAD vessel in Baltimore; three technologies are scheduled to be tested in 2010.

2. **Great Lakes Activity**. The Maritime Administration has also assisted in the development of the land-based test facility in the Port of Superior, Wisconsin for the Great Ships Initiative (GSI). Now a member of the Advisory Board, the Agency continues to work with GSI toward completing the development of an assembly that can be installed aboard a ship for the purpose of obtaining samples of treated ballast water. That technology would assist in the future sampling and performance verification for in-service treatment technologies. In addition, the Agency has funded GSI for pilot and bench-scale testing of technologies and/or substances that showed promise in eradicating aquatic nuisance species.

In 2008 and 2009, the Maritime Administration brought together the GSI researchers and MERC in a cooperative effort to share talent and lessons learned from different activities. Through collaboration these entities interact on a regular basis, avoid duplication of effort and share information common to their research efforts. In 2010, the Agency received funding from the EPA for ballast water technology testing as part of the Great Lakes Restoration Initiative. Plans for FY2010 include land-based testing of two treatment technologies, shipboard testing of at least one technology, shipboard testing of prototype sampling assemblies, bench-scale tests of at least five systems, and upgrades to the land-based facility to support USCG inter-facility calibration tests.

3. **West Coast Activity**. During the past 3 years, the Agency has been active on the West Coast, providing resources for the modification of the Agency's California Maritime Academy training ship the GOLDEN BEAR. The effort has been in collaboration among the Federal and state government, academia and the private sector. Funds were provided by NOAA and the California State Lands Commission for modifying the vessel for ballast water treatment technology testing. Maritime Administration personnel were involved with reviewing design specifications and the Agency funded part of the final design.

The GOLDEN BEAR was further modified in the spring of 2010 to facilitate the temporary installation of ballast water treatment systems for testing in the San Francisco Bay area. MARAD funded additional modifications to the vessel to conduct IMO-compliant tests. A ballast water treatment technology is currently being tested aboard the vessel (during the summer sea term); data obtained during these tests will be used to complete the technology vendor's dossier for approval by an Administration. Upgrades to the vessel to support USCG inter-facility calibration tests (and future Coast Guard Certification) will occur in the near future.

4. **Ad Hoc/International Activity**. In short, the Maritime Administration has cooperated with sister Federal and state agencies as well as academia involved in the search for viable treatment technologies and to determine methods of moving research forward without duplicating work completed by others. As a non-regulatory agency with deep ties to the maritime transportation industry, the Maritime Administration is in a unique position to foster a spirit of cooperation and teamwork among the diverse interests focusing on ballast water and aquatic invasive species. We continue to serve as a liaison between vendors and the scientific community and provide a voice to the regulated shipping community. We serve in a technical advisory role on the U.S. delegation to the IMO Marine Environment Protection Committee on ballast water issues. In addition, MARAD serves as the secretariat for an International Standards Organization (ISO) working group on ballast water technology standards.

48. What plans does MARAD have in the future to assist in this effort?

Response:

1. **East Coast**. Ballast water treatment technology research continues aboard the CAPE WASHINGTON; at least two more promising technologies will be tested by the end of 2010. The vessel will continue to be used for various bench-scale projects. The mobile test platform (barge) should be ready to commence technology tests by early 2011. MARAD will continue to support testing efforts aboard both platforms and will coordinate with the USCG and other federal partners to ensure that the barge-based facility will be capable of supporting certification work.
2. **Great Lakes**. The Agency will continue work with the Great Ships Initiative as well. Shipboard, land-based, and bench-scale tests will be supported. Work associated with the development of the International Standard for a ballast water sampling assembly is expected to be completed and the standard finalized for use by the U.S. and

international shipping community. Follow-on standards activity will be started for handling and analyzing samples. MARAD will also continue to support testing efforts at the land-based facility and will coordinate with the USCG and other federal partners to ensure that the facility will be capable of supporting certification work.

3. **West Coast**. The Agency will continue to pursue resources to complete the modifications to the GOLDEN BEAR to provide a testing platform on the West Coast. MARAD will continue to support testing efforts the vessel and will coordinate with the USCG and other federal partners to ensure that the facility will be capable of supporting certification work.

4. **Ad Hoc**: The Maritime Administration continues to pursue its vision of a united academic, research, and government community to expedite the development of solutions to this critical international environmental issue. Linking the various ballast water technology testing facilities located in the United States is essential to establishing and maintaining the proper infrastructure for testing equipment, monitoring compliance aboard ships, and to ensuring comparable test protocols with reliable results. The agency will also continue to serve on the U.S. delegation to the IMO and work with ISO to develop industry standards related to ballast water treatment and verification technologies.

SAFE AND SECURE PORTS

49. In fiscal year 2010, the Committee provided $7 million to support the Presidential Initiative Safe and Secure Ports. Please provide a chart of the activities funded through this initiative. For each activity, please include a brief description, a timeline for implementation, the amount of funding that was requested in the fiscal year 2010 budget and the actual amount of funding received.

Response: For FY 2010, $15 million was requested for this initiative, $7 million was provided in the FY 2010 appropriations. This funding is being utilized to fund Marine Highway Grants, authorized in the 2010 National Defense Authorization Act (NDAA). Section 3515 of the NDAA, titled America's Short Sea Transportation Grants for the Development of Marine Highways, amended Section 55601 of the 2007 Energy Independence and Security Act titled Short Sea Transportation Program. Section 3515 of the NDAA directs the Secretary of Transportation (Secretary) to establish and implement a short sea transportation grant program to implement projects or components of a project designated under subsection (d) of Section 55601. No funding has been provided at this point. Marine Highway Project Applications are due to MARAD by Friday, June 11, after which they will be evaluated against established criteria. Those that meet the criteria will be designated by the Secretary. A Notice of Funding Availability for the grants will be published immediately following the Secretary's designation, soliciting grant applications. Only designated Marine Highway Project sponsors will be eligible to apply for a grant. Up to $7 million will be awarded for Marine Highway Grants, with an obligation date no later than September 30, 2010.

In order to receive a grant under the program, applicants are required to: (a) submit an application to the Secretary in such form and manner, at such time, and containing such information as the Secretary may require, and (b) demonstrate to the satisfaction of the Secretary that the project is financially viable, the funds received will be spent efficiently and effectively and a market exists for the services of the proposed project as evidenced by contracts or written statements of intent from potential customers. Applicants are required to provide at least 20 percent of the project costs from non-Federal sources. In awarding grants under the program, the Secretary shall give preference to those projects or components that present the most financially viable transportation services and require the lowest percentage Federal share of the costs.

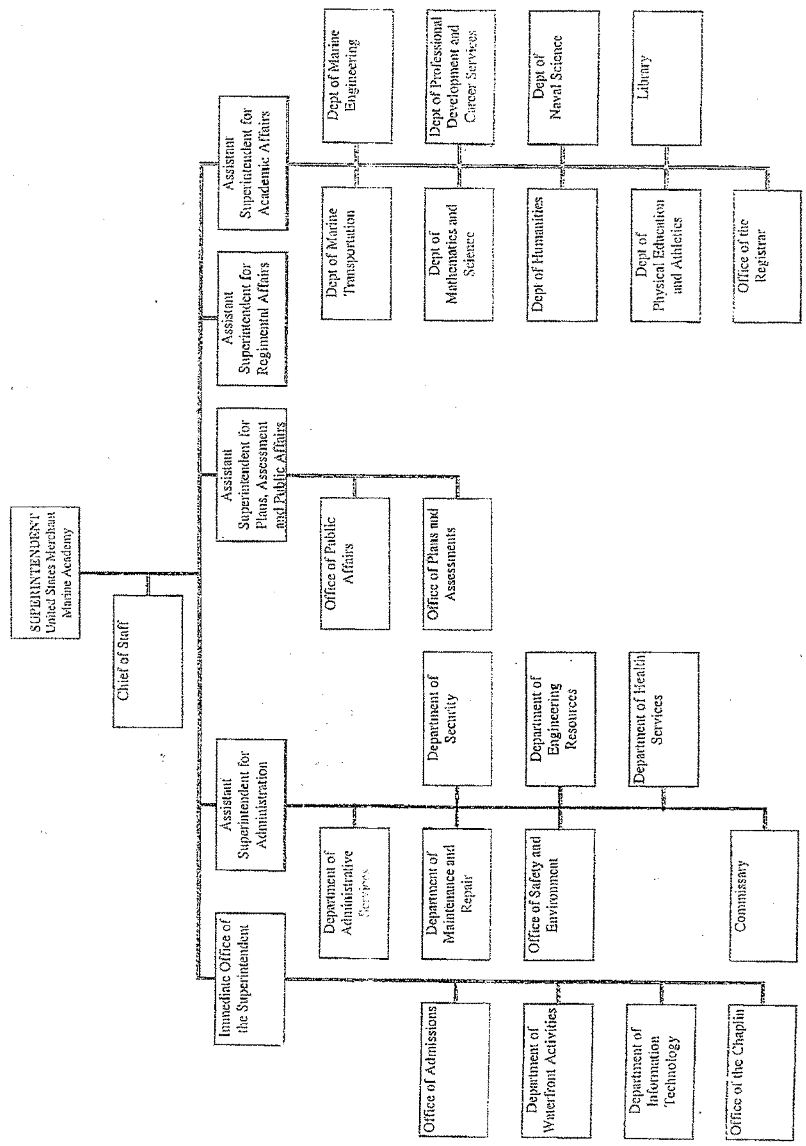
50. Please provide an update on how MARAD and the Department of Homeland Security are working together on this initiative.

Response: As described in the Senate Appropriations language, the Secure and Efficient Ports initiative is being undertaken in partnership with the Department of Homeland Security (Policy Office of Strategic Plans) to improve the security, capacity and efficiency of our Nation's ports. It allows MARAD to "...designate and support specific projects that will create new or expanded services along designated Marine Highway corridors." Toward that end, several criteria for evaluating Marine Highway Project applications were established to identify which projects offer the greatest efficiency, based on measures for congestion relief and landside transportation infrastructure maintenance savings, safety, and (working in conjunction with DHS) system resiliency and redundancy, which are security measures. In addition, once grant applications are received (anticipate August, 2010), DOT will work with DHS to develop performance measures for individual grants to identify those security, safety, capacity and efficiency activities that can inform DHS as they develop nationwide strategic plans and metrics to guide development and modernization of intermodal freight infrastructure, linking coastal and inland ports to highways, marine highways and rail networks. In addition, grant lessons learned will assist both DHS and DOT in identifying system wide gaps that need to be addressed by both departments.

U.S. MERCHANT MARINE ACADEMY

51. Please provide an organizational chart of the U.S. Merchant Marine Academy (USMMA) for fiscal year 2010. Please indicate any vacancies that exist by office.

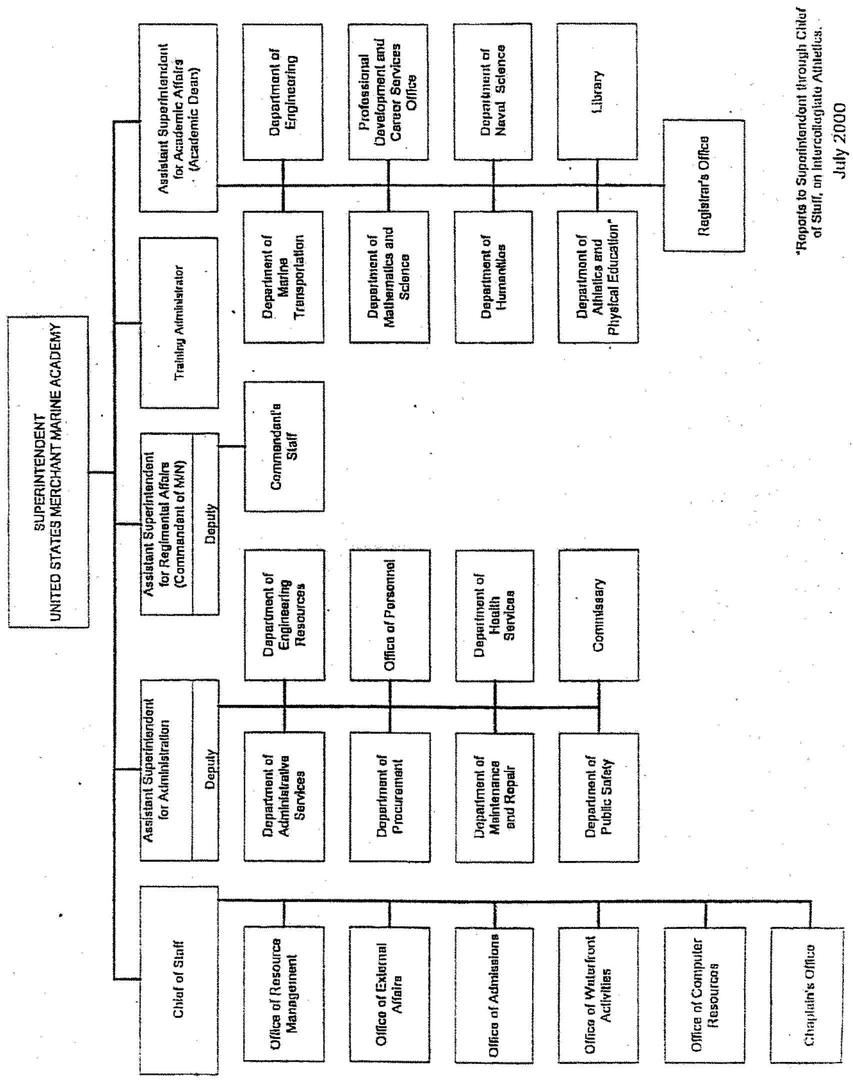
Response: Please see organizational chart on next page.



USMMA Organizational Chart - June 2010

52. Please provide an organizational chart of the USMMA for fiscal year 2000.

Response: Please see organizational chart on next page.


SUPERINTENDENT
UNITED STATES MERCHANT MARINE ACADEMY
Chief of Staff
Office of Resource Management
Office of External Affairs
Office of Admissions
Office of Waterfront Activities
Office of Computer Resources
Chaplain's Office
Assistant Superintendent for Administration
Deputy
Department of Administrative Services
Department of Procurement
Department of Maintenance and Repair
Department of Public Safety
Department of Engineering Resources
Office of Personnel
Department of Health Services
Commissary
Assistant Superintendent for Regimental Affairs (Commandant of M/N)
Deputy
Commandant's Staff
Training Administrator
Assistant Superintendent for Academic Affairs (Academic Dean)
Department of Marine Transportation
Department of Mathematics and Science
Department of Humanities
Department of Athletics and Physical Education*
Department of Engineering
Professional Development and Career Services Office
Department of Naval Science
Library
Registrar's Office
*Reports to Superintendent through Chief of Staff, on Intercollegiate Athletics.
July 2000

53. How many vacancies currently exist at the USMMA? Please list the job title, GS level, whether a hiring announcement has been made for the position, and how long the position has been vacant.

Response: Please see table on next page.

Approved USMMA Positions

	Office	Position Title	Grade/ Step	Date Position Vacated	Vacancy Posted
1	Assistant Superintendent for Academic Affairs	Assistant Academic Dean (Support Prog. Vice Palmer)	AD	9/2007	
2	Assistant Superintendent for Administration	Assistant Superintendent for Administration (Vice Todesco)	GS-14	8/2009	
3	Assistant Superintendent for Regimental/Student Affairs	3 Command Duty Officers (2 hired PP 25 & 1 to fill. 1/weekend/mth)	GS-09	7/2009	√
4	Assistant Superintendent for Regimental/Student Affairs	Dep. Asst. Supt for Regimental Affairs (Vice Larsen)	GS-14	7/2006	
5	Assistant Superintendent for Regimental/Student Affairs	Music Specialist (Chorus Director)	GS-09	NEW	
6	Assistant Superintendent for Regimental/Student Affairs	Tactical Officer	GS-12	NEW	√
7	Assistant Superintendent for Regimental/Student Affairs	Tactical Officer	GS-12	NEW	√
8	Assistant Superintendent for Regimental/Student Affairs	Tactical Officer	GS-12	NEW	√
9	Chaplains Office	Music Specialist (Organist & Choir Director)	GS-09	NEW	
10	Department f Engineering Resources	Construction Engineer (CIP)	GS-15	NEW	
11	Department of Engineering Resources	Facilities Maintenance Manager (CIP)	GS-14	NEW	
12	Department of Engineering Resources	Secretary (Vice Albrecht)	GS-05	4/2010	
13	Department of Humanities	Assistant professor (History Vice Arnold)	AD	4/2009	√
14	Department of Maintenance & Repair	Facilities Manager (Vice Sendlein)	GS-14	1/2009	

15	Department of Maintenance & Repair	Pipefitter (Vice Messina)	WG-10	12/2009	
16	Department of Maintenance & Repair	Pipefitter Leader (Vice Granville)	WL-10	6/2009	√
17	Department of Marine Transportation	Assistant Professor (Marine Trans. Vice Hall)	AD	6/2009	√
18	Department of Marine Transportation	Assistant Professor (Marine Transportation Adjunct)	AD	NEW	√
19	Department of Marine Transportation	Assistant Professor (Marine Transportation Adjunct)	AD	NEW	√
20	Department of Marine Transportation	Assistant Professor (Master Trng Vessel Vice Barry)	AD	5/2008	√
21	Department of Marine Transportation	Instructor/asst. prof/associate prof (Nautical Science Vice Muller)	AD	12/2008	√
22	Department of Marine Transportation	Marine Transportation (Assistant Professor Vice Gavas)	AD	7/2010	
23	Department of Marine Transportation	Marine Transportation (Assistant Professor Vice Nunnenkamp)	AD	7/2010	√
24	Department of Marine Transportation	Marine Transportation (Assistant Professor Vice Mazek)	AD	7/2010	
25	Department of Mathematics & Science	Assistant Professor (Chemistry Vice Beim)	AD	1/2008	√
26	Department of Mathematics & Science	Assistant Professor (Math Vice Cessar)	AD	1/2008	√
27	Department of Mathematics & Science	Assistant Professor (Mathematician Vice Lebensohn)	AD	1/2010	√
28	Department of Physical Education & Athletics	Sports Specialist (Track & field Vice Buchholtz)	AD	2/2009	√
29	Department of Physical Education & Athletics	Sports Specialist (Asst. Football. Offensive Coord)(Vice Metzler)	AD	4/2010	√
30	Department of Physical Education & Athletics	Sports Specialist (Head Coach Volleyball)(Vice Ramey)	AD	6/2010	√
3	Department of Physical Education &	Sports Specialist (Asst. Coach Men's Basketball)(Vice	AD	5/2010	

1	Athletics	Duross)			
32	Department of Resource Management	Financial Specialist	GS-09	NEW	√
33	Department of Waterfront Activities	Marine Machinery Mechanic (Propulsion) (Vice Asma)	WG-10	2/2009	
34	Library	Library Aid	GS-03	2/2010	√
35	Office of Admissions	Admissions Assistant (OA)	GS-06	3/2009	√
36	Office of Procurement	Supervisory Cont. Specialist (Vice Wanlass)	GS-14	11/2008	
37	Office of the Registrar	Registration Assistant (Vice Prince)	GS-07	4/2006	
38	Office of the Superintendent	Superintendent (Vice Worley)	SES	11/2010	√
39	Office of the Superintendent	Attorney (USMMA)	GS-15	NEW	√
40	Office of the Superintendent	Administrative Asst (NAFI)	GS-07	2/2009	

√ Vacancy Announcement Posted on USAJOBS

54. Please describe how the request level of the Midshipman Fee Refund was determined.

Response: In order to support the response to a number of GAO recommendations, MARAD CFO staff formulated an estimate of possible Midshipman Fee overcharges for working purposes, and to inform the FY 2011 budget request. In developing the estimate, MARAD CFO staff considered estimates of aggregate Midshipman Fee collections and expenditures for the academic years 2003-2004 through 2008-2009, relying on available Academy financial reports and records. MARAD engaged PricewaterhouseCoopers (PwC) to conduct rigorous accounting analysis of Midshipman Fee transactions. PwC's report, received April 30, 2010 is providing additional basis for the formulation of a refund schedule and implementation plan.

55. How much unobligated Capital Improvement funding currently exists?

Response: Within the Academy's Capital Improvement plan, as of 6/30/10, there is $20.1 million unobligated.

56. How much obligated but not expended Capital Improvement funding currently exists?

Response: As of 6/30/10, there is $2.8 million obligated but not expended within the Academy's Capital Improvement plan.

REPORTS TO THE COMMITTEE

57. In table format, please list all reports due to the Committee for fiscal year 2010, their due dates, and actual delivery dates. For any reports that were late, please explain why the reports were late.

Response:

Report	**Due Date**	**Delivery Date**	**Explanation**
Cost, Use, And Authorization for Midshipman Fees	1/16/2010	4/27/2010	Report involved analysis of extensive midshipman fee accounting records.
Status Report on Actions to Implement GAO Recommendations	3/16/2010	7/14/2010	Report involved data collection on detailed status of completed and in progress efforts.

PORT OF GUAM

58. Please describe all steps MARAD has taken with respect to the Port of Guam Improvement Enterprise Fund.

Response: MARAD is working with DOD and USDA to undertake modernization efforts at the Port of Guam. Contingant on an FY 2010 supplemental appropriation, DOD will transfer $50 million to the Port of Guam Improvement Enterprise Fund to be administered by MARAD. USDA will provide $50 million through a $25 million direct loan and a $25 million guaranteed loan. The proceeds from these loans will be deposited in the Guam Enterprise Fund. USDA will oversee repayment of the loans. A local bank on Guam will have an escrow account set up for disbursement and collection of the funds. The Port will repay the loans from tariffs paid by the port users. Where USDA loan funds are utilized, USDA will transfer the funds to the Enterprise Fund from the Escrow account based on a semi-annual projection provided by MARAD. MARAD and USDA will then jointly review and approve task orders for construction projects or other modernization efforts prior to obligation. Since the funds will have already been transferred by USDA based on the projection, MARAD will be able to quickly issue the Task Orders and make payment in accordance with the contract.

MARAD has implemented the hiring process for on-site staff to assist in the port development effort. They should be on staff shortly. It is anticipated that MARAD will need an on-site engineer and an on-site contract specialist. Job descriptions have been developed and the hiring process is ongoing.

Department of Transportation (DOT)
Surface Transportation Board (STB)
Fiscal Year 2011 Questions for the Record
Chairman John Olver
Subcommittee on Transportation, Housing and Urban Development, and Related Agencies
House Committee on Appropriations

Staffing

1. Please provide a chart detailing for each office within STB the number of FTE requested, the number of FTE authorized/funded and the actual FTE for FY 2005 through FY 2010.

BOARD MEMBERS			
Year	**FTE Requested**	**FTE Authorized**	**Actual FTE**
2005	10	10	9
2006	10	11	6
2007	9	10	8
2008	9	9	8
2009	10	10	5
2010	9	9	

OFFICE OF PUBLIC ASSISTANCE, GOVERNMENTAL AFFAIRS, AND COMPLIANCE			
Year	**FTE Requested**	**FTE Authorized**	**Actual FTE**
2005	22	22	20
2006	23	23	19
2007	22	23	18
2008	22	22	18
2009	22	22	21
2010	28	28	

OFFICE OF ECONOMICS, ENVIRONMENTAL ANALYSIS, AND ADMINISTRATION			
Year	**FTE Requested**	**FTE Authorized**	**Actual FTE**
2005	58	58	52
2006	60	59	57
2007	60	60	55
2008	60	60	55
2009	59	59	57
2010	60	60	

OFFICE OF GENERAL COUNSEL			
Year	FTE Requested	FTE Authorized	Actual FTE
2005	12	12	11
2006	12	12	11
2007	14	12	13
2008	14	14	14
2009	14	14	16
2010	14	14	

OFFICE OF PROCEEDINGS			
Year	FTE Requested	FTE Authorized	Actual FTE
2005	48	48	42
2006	45	45	44
2007	45	45	43
2008	45	45	43
2009	45	45	42
2010	45	45	

Employee Development

2. Please provide a table showing the funds for employee training and development for the last five years.

FISCAL YEAR	TRAINING OBLIGATIONS
2005	$81,458
2006	$44,206
2007	$144,245
2008	$221,822
2009	$127,051

During fiscal years 2007-2009, the Board provided a number of mid-level and senior level managers and supervisors with OPM managerial and supervisory training and with attendance at the Federal Executive Institute to provide for succession development and planning, due to increasing retirements of Board senior level managers. During these years, training and educational development also was provided to employees to enhance their industry and subject matter expertise to better address the issues presented in the Board's case filings and the changing technology.

Workload Summary

3. Please update the "Workload Summary" table on page 20 of the Congressional Justifications to include fiscal year 2005 through fiscal year 2008.

Workload Category	**Actual FY 2005** Board Decisions and Court-related Work	**Actual FY 2006** Board Decisions and Court-related Work	**Actual FY 2007** Board Decisions and Court-related Work	**Actual FY 2008** Board Decisions and Court-related Work
Rail Carrier Control Cases	18	41	31	68
Rail Rates and Service	91	73	91	90
Rail Abandonments and Constructions	461	499	436	561
Other Line Transactions	240	199	217	118
Other Rail Activities	54	89	88	93
Non-Rail Activities	153	351	275	22
Activities Under Non-Transportation Issues[1]	-	-	-	328
Total	**1,017**	**1,252**	**1,138**	**952**

Uniform Railroad Costing System (URCS)

4. Please provide an update on the scoping study and review of URCS. Does STB have an estimate on the timeline for this project and the funding needed for each phase of implementation?

The Board completed and submitted the URCS scoping study to Congress on May 27, 2010. The Board anticipates changes to URCS would cost the agency approximately $625,000 beyond normal operating expenditures and would take approximately 2 years to complete.

[1] In recent years, these activities, involving statutes such as the Freedom of Information Act and the laws governing ethical conduct of Federal employees, were included in this Summary as Non-Rail Activities.

User Fees

5. Please provide a table on user fees collected for fiscal year 2005 through fiscal year 2009. Please include the total of actual fees collected, the range of fees collected and the average fee collected for each year.

YEAR	TOTAL FEES (ACTUAL)	RANGE OF FEES	AVERAGE FEE
2005	$1,037,342.75	$0.20 – $102,000	$146.19
2006	$1,198,651.33	$0.20 – $140,600	$211.96
2007	$873,635.16	$0.20 – $63,800	$146.51
2008	$1,250,002.56	$0.20 – $299,400	$271.98
2009	$1,017,746.40	$0.20 – $76,100	$257.27

The Board has 125 fee or sub-fee items, ranging from $0.20 for self-service photocopies to $1,520,600 for a Class I rail merger. The $299,400 fee collected in FY 2008 related to the purchase of DM&E Railroad by CP Railway. In the FY 2008 Appropriations Act and subsequent appropriations act, Congress limited the filing fee for rate complaints to $350, the amount authorized for the district court filing fee.

Department of Transportation (DOT)
Federal Railroad Administration (FRA)
Fiscal Year 2011 Questions for the Record
Chairman John Olver
Subcommittee on Transportation, Housing and Urban Development, and Related Agencies
House Committee on Appropriations

General/Cross-Cutting

1. Please provide a chart detailing for each office within FRA the number of FTE requested, the number of FTE authorized/funded and the actual FTE for FY 2005 through FY 2010.

RESPONSE:

	Office of the Administrator	Office of Chief Counsel	Office of Railroad Safety	Office of Railroad Policy & Development	Office of Financial Management & Administration	TOTAL FRA
FY 2005						
Requested	37.0	41.0	640.5	54.5	59.0	832.0
Authorized						0.0
Actual						0.0
FY 2006						
Requested	37.0	41.0	645.0	55.0	59.0	837.0
Authorized	33.0	41.0	649.0	55.0	59.0	837.0
Actual						0.0
FY 2007						
Requested	36.0	41.0	653.0	55.0	59.0	844.0
Authorized	33.0	41.0	656.0	55.0	59.0	844.0
Actual	28.0	39.0	652.0	49.0	52.0	820.0
FY 2008						
Requested	36.0	41.0	659.0	55.0	59.0	850.0
Authorized	34.0	41.0	664.0	55.0	56.0	850.0
Actual	25.0	39.0	651.0	45.0	52.0	812.0
FY 2009						
Requested	34.0	41.0	662.0	56.0	60.0	853.0
Authorized	31.0	46.0	676.0	57.0	59.0	869.0
Actual	26.5	41.5	660.5	46.0	52.0	826.5
FY 2010						
Requested	31.0	47.0	679.0	68.0	60.5	885.5
Authorized 1/	22.0	47.5	685.0	78.0	62.0	894.5
Actual	21.0	46.0	659.5	60.5	53.0	840.0

NOTES:

1. Reflects the reorganization of Office of Railroad Policy from Office of the Administrator to the Office of Railroad Policy and Development.
2. Yellow highlight indicates unable to find data requested.

2. Please provide a list of all vacant positions in FRA, please indicate, which positions the Department anticipates filling by the end of the year and where the Department is in the hiring process with each of these positions.

RESPONSE:

Federal Railroad Administration
Vacancies as of 9/30/2010

Office of the Administrator
Public Affairs Officer, GS-301-15 (pending interviews) Transportation Programs Advisor, GS-2101-15 (pending announcement) Writer-Editor, GS-1082-13 (announcement closed)
Office of Chief Counsel
Trial Attorney, GS-905-11/12/13 (announcement closed)*
Office of Financial Management and Administration
HR Specialist, GS-201-12/13 (start date of 10/11/2010) IT Specialist, GS-2210-13 (pending announcement) Contract Specialist, GS-1102-11/12/13 (pending interviews)* Accounting Officer, GS-510-15 (announcement closed) Financial Management Specialist, GS-501-9/11 (pending announcement) 2 Budget Analysts, GS-560-9/11 (pending announcement)* 2 Grant Management Specialists, GS-501-9/11 (pending announcement)*
Office of Railroad Safety
Railroad System Oversight Manager, GS-2101-14 (announcement open) Railroad Safety Specialist (Risk Reduction), GS-2121-14 (pending announcement)* Railroad Safety Specialist (Track), GS-2121-13/14 (announcement closed) Railroad Safety Specialist, (OP), GS-2121-13/14 (pending announcement) Operations Research Analyst, GS-1515-13/14 (announcement closed)* Industry Economist, GS-110-9/11/12/13/14 (announcement closed)* 2 Mechanical Engineers, GS-830-13/14 (announcement closed)* Deputy Regional Administrator, GS-2101-14 (announcement open) 4 Supervisory Railroad Safety Specialists, GS-2121-13 (announcements open) Chief Inspector, GS-2121-13 (announcement closed) Crossing and Trespasser Regional Manager, GS-2101-13 (announcement open)* 19 Railroad Safety Inspectors, GS-2121-12 (announcements open)
Office of Railroad Policy and Development
Director, Rail Project Development & Delivery, ES-340 (announcement open)* Supervisory Program Analyst, GS-343-15 (announcement open)* Supervisory Transportation Specialist, GS-2101-15 (pending re-announcement)* Director, Office of Policy, GS-2101-15 (pending announcement)*

Program Analyst, GS-343-14 (pending announcement)*
Transportation Industry Analyst, GS-2110-12/13 (announcement closed)*
Financial Analyst, GS-501-12/13 (pending announcement)*
Environmental Protection Specialist, GS-028-12/13 (pending announcement)*
General Engineer, GS-801-9/11/12/13 (announcement closed)*
Administrative Specialist, GS-301-11 (announcement open)
2 Administrative Staff Assistants, GS-301-9 (pending announcement)
Total FRA Vacancies as of 9/30/10: 57 vacancies.

**Denotes new FY2010 FTE.*

3. What role will the additional 31 FTE requested in the fiscal year 2011 request play in FRA's expanding responsibilities? Please provide a listing of all new positions requested in FY 2011 for FRA, showing the position title, grade level, salary, and basic description of the position responsibilities.

RESPONSE:

Position Title	# of Positions	FTE	Grade	Salary 1/	Position Description
Office of Railroad Policy & Development					
Passenger and Freight					
Grants Analyst	1	0.5	12/13	66,181	Supports RPD's implementation of federal rail grant programs, including: managing the solicitation of applications; participating in the selection and award process; managing and monitoring progress; reporting on status; completing projects and closing grants.
General Engineer	2	1.0	14	182,890	Supports RPD's engineering, project planning and oversight activities, standards setting, training and technical assistance to rail stakeholders preparing for, participating in and implementing federal financial assistance programs, including ensuring effective integration among projects and with systems plans, environmental work, financial analysis, and program implementation.
Environmental Specialist	2	1.0	13	150,528	Performs environmental reviews of proposed rail projects and other assignments associated with passenger and freight rail service and develops and implements FRA-wide policies and procedures related to the assessment and mitigation of the environmental or community impacts of railroad improvements and guides the environmental assessment of the specific rail related projects.
Contracts Specialist	1	0.5	11/12	56,914	Analyzes contracts and solicitations for appropriate contract type, pricing, and other contract provisions, selection of source, acquisition method, determinations and findings, documentation, clarity of contract terms, and propriety of cited funds for RPD programs and works with the Office of Acquisition and Grant Services to meet these requirements through contracts and solicitations.

Financial Analyst	1	0.5	13	76,762	Manages and coordinates RPD's budgetary requirements and financial plans in accordance with FRA guidelines; performs other administrative activities supporting FRA's mission and goals including tracking of salaries, benefits, travel/transportation, printing, contractual services, supplies and equipment.
General Engineer	1	0.5	12/13	66,181	Supports RPD's engineering, project planning and oversight activities, standards setting, training and technical assistance to rail stakeholders preparing for, participating in and implementing federal financial assistance programs, including ensuring effective integration among projects and with systems plans, environmental work, financial analysis, and program implementation.
Financial Analyst	2	1.0	12/13	132,362	Conducts analysis of financial assistance applications and administers loans to rail projects approved under the Railroad Rehabilitation and Improvement Financing (RRIF) Program.
Program Analyst	1	0.5	12/13	66,181	Develops policy and provides direction, advice and support related to human resource management; manages recruitment strategies, supporting FTE position description development, training plans, awards, performance cycle management, benefits, and other personnel actions.
Transportation Industry Analyst	1	0.5	13	76,762	Provides strategic advice and technical assistance to potential recipients of federal aide for the development and/or improvement of High Speed Intercity Passenger Rail (HSIPR) programs; monitors grants to other railroads or state and local governments; assess the financial and operating conditions of railroads in order to advise on business improvements; develops policy and procedures for rail grant and loan programs.
Transportation Industry Analyst	1	0.5	14	91,445	Provides strategic advice and technical assistance to potential recipients of federal aide for the development and/or improvement of High Speed Intercity Passenger Rail (HSIPR) programs; monitors grants to other railroads or state and local governments; assess the financial and operating conditions of railroads in order to advise on business

					improvements; develops policy and procedures for rail grant and loan programs.
Grants Analyst	1	0.5	13	76,762	Supports RPD's implementation of federal rail grant programs, including: managing the solicitation of applications; participating in the selection and award process; managing and monitoring progress; reporting on status; completing projects and closing grants.
Program Analyst	1	0.5	14	91,445	Develops policy and provides direction, advice and support related to information management; serve as RPD's primary POC for the evaluation on current technology against program management requirements; develops and executes initial options for managing and integrating existing technology along with any additional new technology.
Grants Analyst	1	0.5	11/12	56,914	Supports RPD's implementation of federal rail grant programs, including: managing the solicitation of applications; participating in the selection and award process; managing and monitoring progress; reporting on status; completing projects and closing grants.
Environmental Specialist	1	0.5	12/13	66,181	Performs environmental reviews of proposed rail projects and other assignments associated with passenger and freight rail service and develops and implements FRA-wide policies and procedures related to the assessment and mitigation of the environmental or community impacts of railroad improvements and guides the environmental assessment of the specific rail related projects.
Subtotal P&F	***17***	***8.5***		***1,257,507***	
Research and Development					
General Engineer	1	0.5	12	66,181	This position is required by RSIA/ARRA serving as General Engineer supporting High Speed Rail to meet key goals of safety standards, technical support for safety standard enforcement, developing High

					Speed Rail community, and enabling technology
General Engineer	2	1.0	14	182,890	These positions is required in support of RSIA serving as General Engineer/National Technical Expert within the Track and Infrastructure Research Division. They are responsible for research and development, test and evaluation efforts related to improved track safety, track infrastructure design, and track/vehicle interaction safety. Also, they are responsible for providing professional engineering services, program management and technical guidance in matters concerning the implementation of a comprehensive research and development program for evaluating the safety of railroad tracks and their interaction with freight and passenger vehicles and locomotives.
Subtotal R&D	***3***	***1.5***		***249,071***	
Railroad Policy					
Labor Economist	1	0.5	12/13	66,181	This position would allow the Office of Railroad Policy to be more involved in areas of labor interests to better engage rail labor and be more knowledgeable and considerate of labor issues when addressing rail economic considerations. In times of strikes or lockouts, the Policy Office advises other parts of the U.S. Government of the matters involving the dispute.
Transportation Specialist	1	0.5	9/11/12	56,914	In support of the International Program, this position would participate with the current team leader to assure that FRA and the U.S. rail industry are aware of critical developments in other countries. Importantly, this position interacts with the international rail community and provides opportunities for U.S. firms to make valuable contacts with foreign entities. This individual is needed to accommodate the ever increasing needs for the Office's contribution to FRA, OST, and other modal administrations. Rail equipment exports represent a continuing source of economic gain, including job growth, for the U.S. economy. This position also coordinates all FRA

					international travel, as well as travel coordination of OST leadership.
Financial Analyst	1	0.5	13/14	76,762	Government initiatives and regulations have a dramatic affect on all segments of the rail industry, including suppliers. Issues such as Cap and Trade, international trade, and agricultural initiatives can change the transportation arena in profound ways. This position will enable the Office to more effectively monitor the financial consequences of proposed legislative and policy changes as well as business conditions, the financial health of the railroad industry, and its ability to compete in the transportation marketplace.
Freight Operations Specialist	1	0.5	12/13	66,181	This position would support the Surface Transportation Intermodal team. It would assess the effects that the provisions of ARRA, new surface transportation legislation, new rail regulatory legislation, and rail safety implementation, would have on mode choice, which is directly influenced by the relative service and logistics costs between the modes. This position would interface and more actively participate with other freight offices in FHWA (including FHWA field offices), MARAD, FMCSA, and OST.
Transportation Logistics Cost/Supply Chain Analyst	1	0.5	12/13	66,181	This position is in support of the Surface Transportation Intermodal team and would monitor and analyze changes in shipper logistics costs brought about by changes in policies, regulations, and business conditions. This position would provide vigilance in the monitoring of changes that affect the economic viability of maintaining adequate rail infrastructure and rail's ability to remain competitive with other modes. This position would involve the use of modeling to better understand the transportation industry and predict effects and outcomes of changes in transportation performance.

Subtotal Railroad Policy	***5***	***2.5***		***332,218***	
Total RPD	**25**	**12.5**		**1,838,797**	
Office of Railroad Safety					
Headquarters					
RSIA - Risk Reduction Program	11	5.5	13	844,382	To meet the mandate regarding the development of a Risk Reduction Program (RRP) across the majority of the railroad industry by October 16, 2012, and conduct regulatory oversight for these programs.
ARRA - Specialists commuter&hsr new starts	2	1.0	13	153,524	Specialists for the new Passenger Division dedicated to intercity/commuter railroad issues in the ARRA to respond to extensive commuter and high-speed rail new starts.
RSIA - Specialists/engineers Hazmat and TIH	1	0.5	13	76,762	Specialists/engineers for oversight of the new Hazardous Materials Routing Rule and toxic-inhalation-hazard (TIH) Tank Car rule.
RSIA - Economists	1	0.5	14	91,445	To conduct timely economic analyses for 14 new regulations, many with deadlines of 2 years or less. The current economists are supporting 14 ongoing rulemakings.
RSIA - Highway Rail Grade Xing Safety Engineers	1	0.5	13	76,762	Support grade crossing mandates and serve as technical experts to build partnerships with State and local highway agencies and with railroads in design and engineering of crossing active warning systems.
Subtotal Headquarters	***16***	***8.0***		***1,242,875***	
Regions					
RSIA - 1 inspector per region	8	4.0	12	583,975	Signal - for PTC build-out. Inspectors will be involved in disarranging existing systems in addition to overseeing implementation of new PTC systems and supporting dark territory initiatives under the RSIA.
RSIA - Hazmat	2	1.0	12	145,994	Hazmat - for new Hazardous Materials Routing Rule and toxic

					inhalation hazard Tank Car rule.
Subtotal Regions	***10***	***5.0***		***729,969***	
Total RRS	**26**	**13.0**		**1,972,844**	
Office of Chief Counsel					
General Law Division					
Staff Attorneys	2	1.0	11/12	113,827	Help handle the huge influx of work related to the President's high-speed rail initiative. The number of grant actions is expected to increase at least five to six times the FY 2008 base (pre-ARRA), and the complexity of the grants will increase significantly as FRA becomes involved in supporting long-term high speed intercity passenger rail development programs. There will also be a corresponding increase in the number and complexity of the environmental reviews that will have to be completed before FRA can fund individual projects.
Safety Law Division					
Staff Attorneys	1	0.5	11/12	56,914	The Rail Safety Improvement Act of 2008 mandates more than 40 rail safety projects, including about 22 rulemakings, 20 reports to Congress or the public on studies and other activities (including 2 reports required annually), and 2 model State laws. The statutory and soon to be issued regulatory requirement for FRA approved positive train control (PTC) systems on the Class I railroads will also generate a huge new workload. The new staff attorney will help FRA meet its statutory deadlines, PTC responsibilities, and will perform legal tasks needed to keep FRA's railroad safety program running smoothly and effectively.
Total RCC	**3**	**1.5**		**170,741**	
Office of Financial Management and Administration					

Grants Management Specialist	1	0.5	12/13	66,181	To manage a host of grant financial management activities , including post-award monitoring and oversight, for FRA.
Grants Management Specialist	1	0.5	11/12	56,914	To manage a host of grant financial management activities , including post-award monitoring and oversight, for FRA.
Contracts Specialist	1	0.5	14	91,445	To manage the anticipated contracting workload associated with the proposed National Rail System.
Budget Analysts	1	0.5	7/9/11	48,820	To perform Budget Formulation and Budget Execution activities that have increased as a result of RSIA, PRIIA, and ARRA legislation.
Human Resources Specialist	1	0.5	12/13	66,181	To perform Human Resources activities that have increased as a result of RSIA, PRIIA, and ARRA legislation.
Total RAD	**5**	**2.5**		**329,540**	
Office of the Administrator					
Equal Employment Opportunity Specialist	1	0.5	9/11/12/13	56,914	Supports the Affirmative Program of Equal Employment Opportunity program, which ensures compliance with the Equal Employment Opportunity Commission's (EEOC) Management Directive 715, which describes the methods used to establish and maintain effective affirmative programs of equal employment opportunity under Section 717 of Title VII and effective affirmative action programs under Section 501 of the Rehabilitation Act and those implementing instructions issued by EEOC in accordance with existing law and authority.
Speechwriter/Editor	1	0.5	11/12	56,914	To provide essential and well structured written speeches and qualitative information to support the FRA appointed officials and senior level staff in positions of power or authority that speaks to the general population; and ensure all information is thoroughly proofed.
Executive Secretariat Specialist	1	0.5	9/11	48,820	To provide needed support to meet an estimated 30% increase in correspondence activities—which is projected to continue to rise as the agency's activities increases. This program directly supports the FRA Administrator and Deputy Administrator as well as senior

					leadership in all key documented correspondences. This position will help improve the timeliness of responses.
Total ROA	**3**	**1.5**		**162,647**	
Grand Total FY2011	**62**	**31.0**		**4,474,569**	

NOTES:

1. Salaries are fully loaded. They include salaries, benefits, awards, and overtime prorated for 50% of the fiscal year, as well as costs for travel, training, equipment, and space associated with these postions.

4. Please provide details of all organizational/staffing changes in FRA included in the FY 2011 budget request. Please include a breakout of the number of FTE who would be working on each new initiative proposed in the budget request.

RESPONSE: Of the total 31 new FTE requested in FY2011, below is a summary of what major FRA mission activities each will support:

High Speed Rail Initiative and PRIIA (13.5 FTE):

8.5 FTE from RPD's Passenger and Freight Office
1.5 FTE from RPD's Research and Development Office
1.0 FTE from FRA's Chief Counsel's Office
1.5 FTE from FRA's Office of Financial Management and Administration
1.0 0 FTE from FRA's Office of Railroad Safety

RSIA and other Railroad Safety Initiatives (12.5 FTE):

12.0 FTE from FRA's Office of Railroad Safety
0.5 FTE from FRA's Chief Counsel's Office

General Mission Essential Activities --to include multi faceted activities such as RSIA, PRIIA, ARRA, and oversight (5.0 FTE) :

1.5 FTE from FRA's Office of the Administrator
1.0 FTE from FRA's Office of Financial Management and Administration
2.5 FTE from RPD's Office of Railroad Policy

5. Please provide a table showing the funds for employee training and development for the last five years.

   RESPONSE: FRA has made training and development of staff a key priority of the organizations history. This staff investment has resulted in three consecutive years of extraordinarily positive feedback from FRA's employees in the annual OPM Employee Viewpoint Survey. In this year's survey, FRA employees specifically validate that they have "ample opportunities to improve skills." The investment FRA makes in training and development is just one of many contributing factors to our staff's overall job satisfaction.

FY2006	**$585.5 K**	**FY2009**	**$373.1 K**
FY 2007	**$523.0 K**	**FY2010**	**$399.0 K**
FY 2008	**$343.0 K**		

Federal Rail Operations

6. Please provide additional detail about the proposed railroad safety user fee. Please provide a chart of the total funding collected through this program from 1991 through 1995. In addition, include the maximum, minimum and average fee collected by year and the number of fees collected each year.

RESPONSE: The previously user fee collections program was authorized from 1991 through 1995. Collections in those years were:

FY 1991	$14 M (part year collections only due to time needed to establish rule)
FY 1992	$32 M
FY 1993	$34.5 M
FY 1994	$37.5 M
FY 1995	$40.5 M

Some added program highlights include:

- Authority for DOT/FRA to collect user fees from railroads was included in the Omnibus Reconciliation Act of 1990 (§10501, Pub. L. No. 101-508, 104 Stat. 1388-399, 11/5/1990; see 49 U.S.C. 20115). The fees were to cover the agency's costs of administering the FRA railroad safety program (excluding enforcement of the Hours of Service Act and the hazardous materials transportation act and research and development and training costs).

- FRA conducted a rulemaking process and adopted an interim final rule for FY 1991 collections and a final rule for FY 92-95 collections (49 C.F.R. Part 245).
- The rule based the fee on each railroad's total train miles, total employee hours, and total road miles (with a sliding scale that reduced the road miles impact for light density railroads) for the preceding calendar year.
- Implementing the collection process was administratively time-consuming for the FRA in terms of gathering reporting data and collecting the fee from all covered entities (due in part to the large number of Class III railroads).
- Legislation to expand the coverage of safety tasks that would be covered by the user fees (Hours of Service/hazardous materials) was proposed by the Administration in 1991 but not enacted by Congress.
- Legislation to make the user fees permanent was proposed by the Administration in 1993 but not enacted by Congress.
- The House Railroads Subcommittee held a hearing on the proposed renewal in September 1995. The renewal was opposed by the Association of American Railroads, American Short Line Railroad Association, and American Public Transit Association.
- Budget requests in FY 1996 and beyond sought authority from Congress to assess railroad user fees but Congress never reauthorized the program.
- The user fee legislation required an annual report by DOT/FRA assessing the impact of the fees on the financial health of the railroad industry and any differences between the fees assessed on the railroad industry versus fees imposed on other modes of transportation. Reports were prepared and submitted for each year, however, lack of data made assessing the impact on most railroads (class II and Class III) and the assessment of modal equity very difficult to quantify.
- The user fee regulation (49 U.S.C. 245) was withdrawn earlier this year as a part of a clean-up effort addressing FRA's portion of the Code of Federal Regulations (74 FR 25169 (May 27, 2009)).

Railroad Safety

7. Please provide a chart of the activities requested within the Railroad Safety account by program from FY 2008 through FY 2011. Please include the amount of funding that was requested and the actual amount of funding received for each year.

8. Please provide the total number of inspectors employed by FRA, by category. Please detail the travel budget for the FRA's inspector workforce.

RESPONSE: Below is a chart depicting the total number of inspectors onboard as of April 30, 2010, by category.

	Reg 1	Reg 2	Reg 3	Reg 4	Reg 5	Reg 6	Reg 7	Reg 8	TOTAL
Technical Specialists									
Crossing Trespasser Regional Mgrs	2	2	2	3	3	2	2	2	18
Inspectors									

Hazardous Materials	4	7	7	6	11	4	4	5	48
Other RAM/Hazmat	0	1	0	0	0	0	1	0	2
Motive Power and Equipment	7	12	11	12	11	7	6	8	74
Operating Practices	7	10	9	9	10	10	8	8	71
Signal and Train Control	7	9	9	6	6	7	7	5	56
Track	7	11	12	9	11	9	8	8	75
Total	*32*	*50*	*48*	*42*	*49*	*37*	*34*	*34*	*326*
Chief Inspectors	4	5	4	4	4	4	4	4	33
Total	***38***	***57***	***54***	***49***	***56***	***43***	***40***	***40***	***377***

In FY 2011, FRA requests $4.742 million for Safety Inspector travel.

9. Please provide the state-by-state safety inspector count broken by Track, MP&E, OP, HM, S&TC, and Xing.

RESPONSE: As of April 30, 2010, the following chart depicts the work (home) location by State of the Federal inspector on-board workforce.

State	Chief Inspectors	RR Xing	HM	MP&E	OP	S&TC	Track	Total
Alabama	0	0	2	2	1	1	1	7
Arizona	0	0	0	1	1	0	1	3
Arkansas	0	0	1	1	0	0	1	3
California	4	2	3	5	6	7	6	33
Colorado	1	0	1	1	1	1	1	6
Connecticut	0	0	0	0	0	1	0	1
Delaware	0	0	0	0	0	0	0	0
Florida	0	0	0	2	2	2	1	7
Georgia	2	2	1	2	2	1	3	13
Idaho	0	0	0	1	1	1	1	4
Illinois	2	3	3	6	6	2	4	26
Indiana	1	0	2	2	1	2	2	10
Iowa	1	0	1	2	2	1	2	9
Kansas	0	0	0	0	2	1	1	4
Kentucky	0	0	0	0	0	1	1	2
Louisiana	1	1	3	2	1	1	1	10
Maine	0	0	0	0	1	1	1	3
Maryland	0	0	1	1	1	2	1	6
Massachusetts	0	0	1	0	0	0	1	2
Michigan	0	0	1	2	1	2	2	8
Minnesota	1	0	0	2	2	0	2	7
Mississippi	0	0	0	1	0	1	2	4
Missouri	2	2	2	4	2	2	3	17
Montana	1	0	1	1	1	1	1	6

State	Chief Inspectors	RR Xing	HM	MP&E	OP	S&TC	Track	Total
Nebraska	0	0	0	0	2	1	2	5
Nevada	0	0	0	0	0	0	0	0
New Hampshire	1	0	0	1	1	0	0	3
New Jersey	1	0	1	1	1	3	1	8
New Mexico	0	0	1	0	0	0	0	1
New York	1	2	2	5	4	3	4	21
North Carolina	1	0	1	1	1	1	1	6
North Dakota	1	0	0	1	1	0	1	4
Ohio	0	1	2	4	3	3	2	15
Oklahoma	0	0	1	0	1	1	1	4
Oregon	0	0	0	0	0	0	0	0
Pennsylvania	2	1	3	4	3	1	4	18
Rhode Island	1	0	0	0	0	0	0	1
South Carolina	0	0	1	1	1	1	1	5
South Dakota	0	0	0	0	0	0	1	1
Tennessee	1	0	1	2	2	1	2	9
Texas	3	2	5	8	8	4	8	38
Utah	0	0	3	0	1	0	1	5
Vermont	0	0	0	0	1	0	0	1
Virginia	2	0	1	2	2	1	2	10
Washington	2	2	3	5	5	3	4	24
West Virginia	1	0	1	1	0	1	1	5
Wisconsin	0	0	1	0	0	1	0	2
Wyoming	0	0	0	0	0	0	0	0
Total	33	18	50	74	71	56	75	377

Note: FRA's safety inspectors are on a full-time telework schedule. Although there are no FRA inspectors residing in States noted with a "0" – as inspection requirements arise, they are provided for by FRA safety inspections residing in nearby States/regions.

Below is a chart depicting the total number of inspectors onboard as of April 30, 2010 by category:

State	Chief Inspectors		RR Cross		HM		MP&E		OP		S&TC		Track		Total	
	Fed	State	Fed	State	Fed	State	Fed	State	Fed	State	Fed	State	Fed	State	Fed	State
Alabama	0	0	0	0	2	0	2	2	1	0	1	0	1	1	7	3
Arizona	0	0	0	0	0	1	1	1	1	1	0	1	1	1	3	5
Arkansas	0	0	0	0	1	0	1	0	0	0	0	0	1	0	3	0
California	4	0	2	0	3	7	5	9	6	8	7	3	6	7	33	34
Colorado	1	0	0	0	1	0	1	0	1	0	1	0	1	0	6	0
Connecticut	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0

State	Chief Inspectors		RR Cross		HM		MP&E		OP		S&TC		Track		Total	
	Fed	State	Fed	State	Fed	State	Fed	State	Fed	State	Fed	State	Fed	State	Fed	State
Delaware	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Florida	0	0	0	0	0	1	2	1	2	3	2	1	1	2	7	8
Georgia	2	0	2	0	1	0	2	0	2	0	1	0	3	0	13	0
Idaho	0	0	0	0	0	2	1	0	1	0	1	0	1	0	4	2
Illinois	2	0	3	0	3	2	6	0	6	1	2	3	4	2	26	8
Indiana	1	0	0	0	2	0	2	0	1	0	2	0	2	0	10	0
Iowa	1	0	0	0	1	0	2	0	2	0	1	0	2	2	9	2
Kansas	0	0	0	0	0	0	0	0	2	0	1	0	1	0	4	0
Kentucky	0	0	0	0	0	0	0	0	0	0	1	0	1	0	2	0
Louisiana	1	0	1	0	3	0	2	0	1	0	1	0	1	0	10	0
Maine	0	0	0	0	0	0	0	0	1	0	1	0	1	2	3	2
Maryland	0	0	0	0	1	0	1	0	1	1	2	0	1	1	5	2
Massachusetts	0	0	0	0	1	0	0	0	0	0	0	0	1	0	2	0
Michigan	0	0	0	0	1	0	2	0	1	0	2	0	2	0	8	0
Minnesota	1	0	0	0	0	0	2	0	2	0	0	0	2	1	7	1
Mississippi	0	0	0	0	0	1	1	0	0	1	1	1	2	0	4	3
Missouri	2	0	2	0	2	0	4	0	2	1	2	2	3	3	17	6
Montana	1	0	0	0	1	0	1	2	1	0	1	0	1	0	6	2
Nebraska	0	0	0	0	0	0	0	1	2	0	1	0	2	1	5	2
Nevada	0	0	0	0	0	1	0	1	0	1	0	0	0	1	0	4
New Hampshire	1	0	0	0	0	0	1	0	1	0	0	0	0	1	3	1
New Jersey	1	0	0	0	1	1	1	0	1	0	3	0	1	0	8	1
New Mexico	0	0	0	0	1	0	0	0	0	1	0	1	0	0	1	2
New York	1	0	2	0	2	0	5	4	4	0	3	0	4	2	21	6
North Carolina	1	0	0	0	1	0	1	1	1	0	1	1	1	1	6	3
North Dakota	1	0	0	0	0	0	1	0	1	0	0	0	1	0	4	0
Ohio	0	0	1	0	2	3	4	3	3	4	3	3	2	3	15	16
Oklahoma	0	0	0	0	1	0	0	0	1	0	1	0	1	0	4	0
Oregon	0	0	0	0	0	1	0	2	0	1	0	1	0	2	0	7
Pennsylvania	2	0	1	0	3	1	4	2	3	1	1	0	4	3	18	7
Rhode Island	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0
South Carolina	0	0	0	0	1	0	1	1	1	0	1	0	1	1	5	2
South Dakota	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	0
Tennessee	1	0	0	0	1	1	2	0	2	2	1	1	2	2	9	6
Texas	3	0	2	0	5	2	8	3	8	5	4	1	8	1	38	14
Utah	0	0	0	0	3	0	0	0	1	0	0	0	1	1	5	1
Vermont	0	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0

State	Chief Inspectors		RR Cross		HM		MP&E		OP		S&TC		Track		Total	
	Fed	State	Fed	State	Fed	State	Fed	State	Fed	State	Fed	State	Fed	State	Fed	State
Virginia	2	0	0	0	1	0	2	2	2	1	1	0	2	1	10	4
Washington	2	0	2	0	3	1	5	0	5	1	3	1	4	1	24	4
West Virginia	1	0	0	0	1	1	1	2	0	2	1	3	1	2	5	10
Wisconsin	0	0	0	0	1	0	0	0	0	0	1	0	0	0	2	0
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	33	0	18	0	50	26	74	37	71	35	56	23	75	47	377	168

Note: S&TC inspectors for the State also perform RR Crossing inspections.

10. Please update the data on Class I, II and III railroads with the lowest and highest accident rates (excluding highway-rail crossing accidents).

RESPONSE: All of the data used to generate these responses is available on FRA's Web site at: http://safetydata.fra.dot.gov/officeofsafety

Class I Accident Rates per Million Train Miles for 2009:
Lowest: Amtrak with 2.04
Highest: Kansas City Southern Railway with 4.74
(http://safetydata.fra.dot.gov/officeofsafety/publicsite/summary.aspx)

Class II (Employee Hours > or = 400,000) Accident Rates per Million Train Miles for 2009:
Lowest: Massachusetts Bay Transit Authority with 0.24
Highest: Union Railroad Co. with 59.57

Class III (Employee Hours < 400,000) Accident Rates per Million Train Miles for 2009:
Lowest: Missouri & Northern Arkansas Railroad with 0.36
Highest: New River Railroad with 9174.31

11. Please provide the total number of derailments for the past three years, by railroad.

RESPONSE: For purposes of responding to this question, a "derailment" is defined as an incident when a piece of on-track equipment leaves the rail for a reason other than a collision, explosion, highway-rail crossing impact, etc.

Railroad	Railroad Class	Derailments* 2007	2008	2009	Total
Aberdeen, Carolina & Western RR [ACWR]	3	.	.	1	1
Alabama & Gulf Coast Rwy LLC [AGR]	3	4	5	1	10
Alabama & Tennessee River Rwy LLC [ATN]	3	.	1	2	3
Alabama Southern RR [ABS]	3	3	5	2	10

Railroad	Railroad Class	Derailments*			
		2007	2008	2009	Total
Alamo Gulf Coast RR Co. [AGCR]	3	2	1	.	3
Alaska RR Corp. [ARR]	2	1	1	1	3
Aliquippa & Ohio River RR Co. [AOR]	3	.	1	.	1
Allegheny Valley RR Co. [AVR]	3	2	1	4	7
Alliance Term. RR LLC [ATR]	3	.	1	.	1
Altamont Commuter Express Authority [ACEX]	3	.	1	.	1
Alton & Southern Rwy [ALS]	2	9	8	4	21
Amtrak [ATK]	1	29	44	35	108
Apache Rwy Co. [APA]	3	.	1	.	1
Appalachian & Ohio RR [AO]	3	2	1	1	4
Arizona Eastern RR [AZER]	3	5	11	2	18
Arkansas & Missouri RR Co. [AM]	3	3	1	.	4
Arkansas Louisiana & Mississippi RR Co. [ALM]	3	.	1	.	1
Arkansas Midland RR Co., Inc. [AKMD]	3	.	1	6	7
Arkansas Southern RR [ARS]	3	1	.	3	4
Arkansas-Oklahoma RR Inc. [AOK]	3	3	1	1	5
Austin Area Term. RR [AUAR]	3	1	.	.	1
Austin Western RR [AWRR]	3	1	2	1	4
BNSF Rwy Co. [BNSF]	1	483	462	309	1,254
Baton Rouge Southern RR [BRS]	3	.	.	1	1
Batten Kill RR [BKRR]	3	.	.	1	1
Bay Colony RR [BCLR]	3	.	.	1	1
Bay Line RR, L.L.C., The [BAYL]	3	.	.	2	2
Belt Rwy Co. Of Chicago [BRC]	2	10	11	11	32
Bighorn Divide & Wyoming RR, Inc. [BDW]	3	.	1	.	1
Birmingham Southern RR Co. [BS]	3	1	.	.	1
Blacklands RR, The [BLR]	3	.	.	1	1
Bloomer Shippers Connecting RR Co. [BLOL]	3	2	.	.	2
Brandywine Valley RR Co. [BVRY]	3	.	1	.	1
Buckingham Branch RR Co. [BB]	3	2	3	2	7
Buffalo & Pittsburgh RR, Inc. [BPRR]	3	4	1	3	8
CHICAGO, FT. WAYNE & EASTERN [CFE]	3	2	1	1	4
CMC RR Inc. [CMC]	3	2	.	1	3
CSX Transportation [CSX]	1	226	219	195	640
California Northern RR Co. [CFNR]	3	.	.	1	1
Caltrain Commuter RR Co. [PCMZ]	2	2	1	.	3
Camp Chase Industrial RR Corp [CCRA]	3	.	1	.	1
Canadian National - North America [CN]	1	67	51	43	161
Canadian Pacific Rwy Co. [CP]	1	46	49	29	124
Carolina Southern RR Co., The [CALA]	3	1	2	1	4
Carrizo Gorge Rwy Inc. [CZRY]	3	1	.	.	1
Cedar Rapids & Iowa City Rwy Co. [CIC]	3	3	3	1	7
Central California Traction Co. [CCT]	3	.	.	2	2
Central Oregon & Pacific RR, Inc. [CORP]	3	.	.	1	1

Railroad	Railroad Class	Derailments* 2007	2008	2009	Total
Central RR Co. Of Indiana [CIND]	3	.	1	1	2
Chattooga & Chickamauga RR [CCKY]	3	2	.	.	2
Chicago Rail Link [CRL]	3	6	5	5	16
Cimarron Valley RR L C [CVR]	3	.	2	.	2
Cleveland Works Rwy Co. [CWRO]	3	3	3	.	6
Colorado & Wyoming Rwy Co. [CW]	3	1	.	.	1
Columbus & Greenville Rwy Co. [CAGY]	3	.	.	1	1
Columbus & Ohio River RR [CUOH]	3	.	.	3	3
Connecticut Southern RR Inc. [CSO]	3	1	1	.	2
Consolidated Rail Corp. [CRSH]	2	31	18	24	73
Corpus Christi Term. RR Inc. [CCPN]	3	1	4	1	6
Dakota, Missouri Valley & Western RR, Inc. [DMVW]	3	4	.	2	6
Dallas, Garland & Northeastern RR [DGNO]	3	3	3	2	8
DeQueen & Eastern RR Co. [DQE]	3	2	3	1	6
Delaware Lackawanna RR [DL]	3	2	.	.	2
East Camden & Highland RR Co. [EACH]	3	1	.	.	1
Eastern Alabama Rwy Co. [EARY]	3	.	1	.	1
Eastern Idaho RR [EIRR]	3	.	2	1	3
Eastern Washington Gateway RR Co. [EWG]	3	1	3	.	4
Econo Rail Corp. [TXTX]	3	7	8	4	19
Escanaba & Lake Superior RR Co. [ELS]	3	.	2	.	2
Farmrail Corp. [FMRC]	3	1	1	2	4
Finger Lakes Rwy Corp. [FGLK]	3	.	1	1	2
First Coast RR Inc. [FCRD]	3	1	2	.	3
Florida East Coast Rwy Co. [FEC]	2	8	1	1	10
Florida Northern RR Co., Inc. [FNOR]	3	.	1	.	1
Fort Worth & Western RR [FWWR]	3	3	2	.	5
Fulton County Rwy [FCR]	3	.	2	2	4
GITM Intermodal Yard [GIMY]	3	.	.	1	1
GITM Savannah Wharf Yard [GSWY]	3	.	.	1	1
Galveston RR, L.P. [GVSR]	3	3	1	1	5
Gary Rwy Co. [GRW]	3	.	.	3	3
Georgetown RR Co. [GRR]	3	.	1	.	1
Georgia & Florida Rwy [GFRR]	3	1	1	3	5
Georgia Northeastern RR Co. [GNRR]	3	2	2	1	5
Georgia Southwestern RR Inc. [GSWR]	3	1	.	1	2
Golden Isles Term. RR, Inc. [GITM]	3	.	2	.	2
Grainbelt Corp. [GNBC]	3	2	4	2	8
Great Lakes Central RR [GLC]	3	1	.	.	1
Great Walton RR Co. [GRWR]	3	.	.	1	1
Great Western Rwy of Colorado, LLC [GWR]	3	6	2	.	8
High Point, Thomasville & Denton RR Co. [HPTD]	3	1	.	1	2

Railroad	Railroad Class	Derailments* 2007	2008	2009	Total
Housatonic RR Co., Inc. [HRRC]	3	2	1	1	4
Huron & Eastern Rwy [HESR]	3	2	2	1	5
ITS Technologies & Logistics, LLC. [ITSL]	3	1	.	1	2
Illinois & Midland RR Inc. [IMRR]	3	2	1	2	5
Illinois Rwy, Inc. [IR]	3	.	.	1	1
Indiana & Ohio Rwy [IORY]	3	4	2	2	8
Indiana Harbor Belt RR Co. [IHB]	2	8	10	2	20
Indiana Rail Road Co. [INRD]	3	8	3	5	16
Indiana Southern RR Co., Inc. [ISRR]	3	1	.	.	1
Intermodal Transfer, LLC [RSIX]	3	.	1	.	1
Iowa Interstate RR [IAIS]	2	5	14	13	32
Iowa Northern Rwy Co. [IANR]	3	6	1	2	9
Kansas City Southern Rwy Co. [KCS]	1	68	49	33	150
Kansas City Term. Rwy Co. [KCT]	3	1	.	1	2
Kansas and Oklahoma RR [KO]	3	4	3	2	9
Keokuk Junction Rwy [KJRY]	3	1	1	3	5
Kettle Falls International Rwy LLC [KFR]	3	.	.	2	2
Kiamichi RR Co. LLC [KRR]	3	9	8	5	22
Knoxville & Holston River RR Co., Inc. [KXHR]	3	.	1	1	2
Kyle RR Co. [KYLE]	3	4	1	5	10
Lake State Rwy Co. [LSRC]	3	13	9	4	26
Lancaster & Chester Rwy Co. [LC]	3	1	1	.	2
Little Rock & Western Rwy, L.P. [LRWN]	3	1	.	.	1
Long Island Rail Road [LI]	2	1	3	7	11
Longview Switching [LS]	3	1	2	.	3
Los Angeles Junction Rwy Co. [LAJ]	3	.	3	2	5
Louisiana & Delta RR [LDRR]	3	1	.	2	3
Louisiana & North West RR Co. [LNW]	3	2	2	.	4
Louisiana Southern [LAS]	3	6	5	3	14
Louisville & Indiana RR Co. [LIRC]	3	1	.	1	2
M & B RR LLC [MNBR]	3	9	1	1	11
MARC Train Service [MACZ]	2	.	1	.	1
Massachusetts Bay Transit Authority [MBTA]	2	.	2	1	3
Meridian Southern Rwy LLC [MDS]	3	.	.	2	2
Metro North Commuter RR Co. [MNCW]	2	3	2	3	8
Minnesota Commercial Rwy [MNNR]	3	1	.	.	1
Minnesota Northern RR Inc. [MNN]	3	1	.	.	1
Minnesota Prairie Line, Inc. [MPLI]	3	.	.	1	1
Minnesota, Dakota & Western Rwy Co. [MDW]	3	.	.	1	1
Mississippi Central RR Co. [MSCI]	3	.	1	1	2
Mississippi Export RR Co. [MSE]	3	.	2	.	2
Mississippi Southern RR [MSR]	3	1	.	4	5
Missouri & Northern Arkansas RR Co., Inc. [MNA]	3	2	5	1	8

Railroad	Railroad Class	Derailments* 2007	2008	2009	Total
Missouri & Valley Park RR Corp [MVP]	3	1	1	.	2
Modesto & Empire Traction Co. [MET]	3	.	2	.	2
Montana Rail Link [MRL]	2	8	19	7	34
Montreal, Maine and Atlantic Rwy, Ltd. [MMA]	2	6	3	2	11
Nashville & Eastern RR [NERR]	3	1	.	.	1
Nebraska Central RR [NCRC]	3	.	1	.	1
Nebraska Northeastern Rwy Co. [NENE]	3	.	1	.	1
Nebraska, Kansas, Colorado Railnet [NKCR]	3	.	1	2	3
New England Central RR [NECR]	3	1	3	2	6
New Jersey Transit Rail Operations [NJTR]	2	15	14	11	40
New Mexico Rail Runner Express [NMRX]	3	.	1	.	1
New Orleans & Gulf Coast Rwy Co. Inc. [NOGC]	3	3	2	.	5
New Orleans Public Belt RR [NOPB]	3	3	1	2	6
New York & Atlantic Rwy Co. [NYA]	3	2	1	1	4
New York & Ogdensburg Rwy Co. Inc. [NYOG]	3	.	.	1	1
New York, Susquehanna & Western RR Co. [NYSW]	3	2	.	1	3
Nimishillen & Tuscarawas, LLC [NTRY]	3	.	.	2	2
Nittany & Bald Eagle [NBER]	3	.	.	1	1
Norfolk & Portsmouth Belt Line RR Co. [NPB]	3	1	.	1	2
Norfolk Southern Corp. [NS]	1	167	173	155	495
North Carolina & Virginia RR Co. [NCVA]	3	1	2	.	3
Northeast IL Regional Commuter Rail Corp. [NIRC]	2	8	3	3	14
Northern Indiana Commuter Transportation District [NICD]	2	1	2	.	3
Northern Lines Rwy LLC [NLR]	3	.	.	1	1
Northern Plains RR, Inc. [NPR]	3	2	1	1	4
Ohio Central RR Co. [OHCR]	3	.	.	1	1
Ohio Southern RR Co. [OSRR]	3	.	.	1	1
Old Augusta RR Co. [OAR]	3	1	.	.	1
Pacific Harbor Line Inc. [PHL]	3	4	5	3	12
Paducah & Louisville Rwy Co. [PAL]	2	5	5	.	10
Palouse River & Coulee City RR Inc. [PCC]	3	2	2	.	4
Pam Am Rwys/Guilford System [GRS]	2	3	4	4	11
Panhandle Northern RR Co. [PNR]	3	2	.	.	2
Patapsco & Back Rivers RR Co. [PBR]	3	1	1	.	2
Pittsburgh & Ohio Central RR Co., The [POHC]	3	1	1	1	3
Port Authority Trans Hudson [PATH]	2	3	1	.	4
Port Of Manatee [MAUP]	3	.	.	1	1
Port Of Tillamook Bay RR [POTB]	3	2	.	.	2
Port Term. RR Association [PTRA]	2	4	1	2	7
Port Term. RR Of South Carolina [PTR]	3	.	.	1	1

Railroad	Railroad Class	Derailments* 2007	2008	2009	Total
Port Utilities Commission Of Charleston, S.C. [PUCC]	3	.	.	1	1
Portland & Western RR, Inc. [PNWR]	3	1	.	1	2
Portland Term. [PTO]	3	1	1	.	2
Progressive Rail Inc [PGR]	3	2	1	1	4
Providence & Worcester RR Co. [PW]	3	.	2	.	2
Puget Sound & Pacific RR Co. [PSAP]	3	3	.	2	5
R J Corman RR Co./Tennessee Term. LLC [RJCK]	3	1	.	.	1
R. J. Corman RR Co./Pennsylvania Lines, Inc. [RJCP]	3	.	1	.	1
R. J. Corman RR Co/Central Kentucky Lines [RJCC]	3	.	1	.	1
R. J. Corman RR Corp./Bardstown Line [RJCR]	3	.	.	1	1
Rail Link Inc. [RLIX]	3	.	.	1	1
Rail Serve [RASX]	3	2	.	2	4
Reading Blue Mountain & Northern RR Commission [RBMN]	3	2	.	.	2
Red River Valley & Western RR [RRVW]	3	2	2	1	5
Rescar Industries - Beaumont [RCIB]	3	.	.	2	2
Rescar Location 715 Switching [RCXM]	3	1	2	1	4
Richmond Pacific RR Corp. [RPRC]	3	.	.	1	1
Rio Valley Switching Co. [RVSC]	3	1	.	.	1
River Port RR [RVPR]	3	.	.	2	2
Rochester Southern RR, Inc. [RSR]	3	.	.	1	1
SGS [SGZZ]	3	.	.	1	1
SMS Rail Service, Inc. [SLRS]	3	.	1	.	1
Sabine River & Northern RR Co. [SRN]	3	.	1	.	1
San Diego Northern Rwy [SDNX]	3	1	.	1	2
San Joaquin Valley RR Co. [SJVR]	3	6	.	.	6
San Luis & Rio Grande RR [SLRG]	3	3	4	1	8
San Pedro & Southwestern RR Co. [SPSR]	3	.	.	2	2
Sand Springs Rwy Co. [SS]	3	1	.	.	1
Seminole Gulf RR [SGLR]	3	.	1	.	1
Sidney & Lowe RR Inc. [SLGG]	3	1	2	.	3
Sierra Northern Rwy [SERA]	3	.	1	1	2
Sounder Commuter Rail [SCR]	3	1	.	.	1
South Buffalo Rwy Co. [SB]	3	2	2	.	4
South Carolina Central RR Co., Inc. [SCRF]	3	1	1	.	2
South Central Florida Express, Inc. [SCXF]	3	1	.	.	1
South Kansas & Oklahoma RR Co. [SKOL]	3	10	10	11	31
Southeastern Pennsylvania Transportation Authority [SEPA]	2	3	2	.	5

Railroad	Railroad Class	Derailments* 2007	2008	2009	Total
Southern California Regional Rail Authority [SCAX]	2	.	2	1	3
Southern New Jersey Light Rail Group [SNJX]	3	.	.	1	1
Southwest Pennsylvania RR Co. [SWP]	3	1	.	1	2
Southwestern RR Co., Inc. [SW]	3	2	.	.	2
St Mary's Rwy West LLC [SMW]	3	.	1	.	1
St. Lawrence & Atlantic RR Co. [SLR]	3	.	.	2	2
Steamtown National Historic Site [SNCX]	3	1	1	.	2
Stillwater Central RR Co., Inc. [SLWC]	3	5	6	3	14
Tacoma Municipal Belt Line Rwy [TMBL]	3	1	1	.	2
Tazewell & Peoria RR, Inc. [TZPR]	3	.	1	.	1
Tennessee Southern RR Co., Inc. [TSRR]	3	1	.	1	2
Terminal RR Association Of St. Louis [TRRA]	2	7	5	2	14
Terminal Rwy Alabama State Docks [TASD]	3	17	5	11	33
Texas Northwestern Rwy Co. [TXNW]	3	.	.	1	1
Texas Pacifico Transportation Limited [TXPF]	3	.	1	.	1
Timberrock RR Co., Inc. [TIBR]	3	6	1	4	11
Toledo, Peoria & Western Rwy Corp. [TPW]	3	1	2	.	3
Transkentucky Transportation RR, Inc. [TTIS]	3	.	.	2	2
Trinity Rwy Express [TREX]	3	1	.	.	1
Trona Rwy Co. [TRC]	3	1	.	.	1
Tulsa-Sapulpa Union Rwy Co. LLC [TSU]	3	1	.	1	2
Twin City & Western RR [TCWR]	3	.	.	2	2
Union Pacific RR Co. [UP]	1	544	486	312	1,342
Union RR Co. [URR]	2	2	.	6	8
Utah Rwy Co. [UTAH]	3	3	.	.	3
Utah Transit Authority [UTAX]	3	1	.	.	1
Vermont Rwy, Inc. [VTR]	3	1	.	.	1
Vicksburg Southern RR, Inc. [VSOR]	3	1	1	.	2
Virginia Southern RR [VSRR]	3	.	2	.	2
Waccamaw Coast Line RR Co. [WCLR]	3	1	.	.	1
Washington & Idaho Rwy, Inc. [WIR]	3	.	.	1	1
Watco Switching [WATX]	3	1	.	.	1
West Tennessee RR Corp. [WTNN]	3	1	.	.	1
West Texas and Lubbock Rwy Co. [WTLC]	3	7	2	1	10
Western New York & Pennsylvania RR LLC [WNYP]	3	.	.	1	1
Wheeling & Lake Erie Rwy Co. [WE]	2	11	13	6	30
Wichita Term. Association [WTA]	3	1	1	.	2
Wichita, Tillman & Jackson Rwy Co., Inc. [WTJR]	3	2	1	1	4
Willamette & Pacific RR, Inc. [WPRR]	3	1	.	.	1
Winchester & Western RR Co. [WW]	3	.	1	.	1
Wisconsin & Southern RR Co. [WSOR]	2	9	5	2	16

Railroad	Railroad Class	Derailments* 2007	2008	2009	Total
York Rwy Co. [YRC]	3			1	1
All		2,110	1,934	1,456	5,500

12. Please provide a table depicting the total amount of fines assessed to freight railroads by FRA for fiscal year 2006 through fiscal year 2009.

RESPONSE: The below table identifies the civil penalties assessed against freight railroads[1] during the fiscal year noted.

FY	Assessed Amount [2/]	Settlement Amount [3/]	Assessments Related to Settlements [4/]
2006	$15,474,750	$13,938,500	$8,670,090
2007	$16,023,500	$16,210,250	$10,421,645
2008	$18,314,450	$14,319,750	$9,207,900
2009	$17,447,000	$19,911,200	$12,632,420

13. Please provide a listing of all open safety recommendations NTSB has made to FRA and the status of each.

RESPONSE: This information is published annually. The most recent version of this report is being cleared through DOT. FRA anticipates it being available for release in the next few weeks.

14. Please provide a breakout of the funding requested for the updates to the Rail Safety Information System (RSIS). Please provide a timeline for this project and the funding needed for each phase of implementation.

RESPONSE: In FY 2011, $4.742 million is requested for the Railroad Safety Information System (RSIS). The funding breaks out as follows:

a. Operation and Maintenance Costs: $3.222 million

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[1] A railroad that transports both freight and passengers is treated as a freight railroad.

[2] Reflects the total amount of *new* penalties assessed during specified fiscal year.

[3] Reflects the total amount FRA settled during specified fiscal year.

[4] Reflects the actual assessments related to the settlements collected in specified fiscal year. It is important to note that settlements typically do not occur in the fiscal year they are originally assessed.

This total covers RSIS web hosting, IT infrastructure, security, data management operations and routine maintenance for the three primary rail safety databases and their numerous subsystems. The cost also covers the annual funding of the State Inspector IT support program (laptops, wireless broadband devices, Email hosting and help desk services), the Quiet Zone Calculator site (which Quiet Zone applications under the FRA Train Horn Rule), the FRA National Inspection Plan system and the Railroad Routing and Visualization Application (rail routing tool).

The O&M funding is for a full year of RSIS operations.

b. Technology Refresh: $ .725 million

This funds a major upgrade of the hardware, software, and service components of RSIS including: replacement of end-of-life components; the acquisition of additional virtualization tools; security and information assurance upgrades and data management tools.
This refresh is expected to be completed during the fiscal year with hardware replacement and software acquisition occurring in the first and second quarters.

RSIS FY 2011 Budget

1. Annual Operation and Maintenance	$ 3,222,000
- *Base Operations*	*[$ 2,592,000]*
- *State Inspector Program*	*[$ 400,000]*
- *Quiet Zone Calculator*	*[$ 80,000]*
- *S/W Licenses*	*[$150,000]*
2. Tech Refresh	$ 725,000

c. RSIA Support Tasks: $.795 million

These funds are requested to support the data management requirements of various provisions of the Rail Safety Improvement Act of 2008 such as:

- Enhancement of FRA's Secure Information Repository which directly supports the Positive Train Control Rule to expand its capabilities of housing sensitive submissions to FRA by rail carriers to support other RSIA initiatives on Risk Reduction, System Safety and Hours of Service.
- Phased development and implementation of the redesigned Grade Crossing Inventory System (GCIS). This is the follow on task to deploy the re-architected database resulting from the GCIS modernization study to be completed before the end of this fiscal year.
- Redesign and modernization of the Safety data web sites to align with the current FRA template and improve the querying and reporting of rail safety information within the public-facing segment of RSIS through the use of dashboards.
- Conducting a small pilot program to evaluate and recommend a handheld device/smart phone platform to provide FRA field inspectors real-time access to enforcement and compliance information.

All tasks are expected to commence during the first quarter of FY2011 and be completed by September 30, 2011.

15. Please provide a breakout of the funding requested for the "Rail Safety Improvement Act (RSIA) and Other Contract Increases". Please provide a timeline for these contracts and the funding needed for each phase of implementation.

RESPONSE: A total of $5.246 million is requested in FY 2011 for the purposes of satisfying a number of RSIA requirements and other Safety-related contract requirements such as:

High-Speed Rail Safety Standards ($ 800 ,000)

- Existing FRA regulations are designed to address mixed freight and passenger service on the general freight system. Innovations from FRA research and advances in international standards now offer opportunity to adopt more performance-based requirements taking advantage of crash-energy-management design techniques. Further, very high-speed trainsets available in the international market will need to be evaluated for suitability within the proposed environment and qualified through testing on the subject infrastructure. This initiative will involve assistance from FRA's Office of Railroad Development and the Volpe Center. ($500,000)
    - 1st Quarter – Review California High Speed Rail Authority's (CAHSRA) System Requirements as they apply to existing U.S. regulations, as well as international standards, i.e. Technical Standards of Interoperability (TSI). Efforts to apply this

methodology to other properties such as Florida High Speed Rail Authority and Desert Express will also be conducted as necessary. ($125K)

  - 2nd Quarter – Draft a Rule of Particular Applicability for CAHSRA, conduct field evaluations and right of way tours at various HSR applications in the U.S. ($125K)
  - 3rd Quarter – Draft an Advanced Notice of Proposed Rulemaking (ANPRM) for High Speed Rail use within the U.S. ($125K)
  - 4th Quarter – Review design drawings for HSR applications in the U.S. ($125K)

- FRA policy for high-speed rail presently lags in advances in the field with respect to highway-rail grade crossings. Funds are requested to support the prudent and mission essential revision of this policy. Contract requirements would include evaluation studies to determine the effectiveness of innovative crossing treatments deployed over the past decade in support of corridor development, quiet zones, and for other purposes. ($300,000)

  - 1st Quarter –Review international alternatives to existing grade crossing technologies in the U.S. ($100K)
  - 2nd Quarter – Evaluate barrier designs and methodologies to protect the ROW. ($100K)
  - 3rd Quarter – Evaluate alternatives for speeds under 125 mph. ($100K)
  - 4th Quarter – No additional tasks.

Passenger Projects ($350,000)

- FRA is currently developing a system safety rule within the Railroad Safety Advisory Committee (RSAC). The rule will require hazard management activities that satisfy RSIA risk reduction requirements for intercity passenger and commuter rail operations. Expert advice and consultation to support the work of the General Passenger Safety Task Force will include: Data analysis to define system safety issues; support for development of the system safety regulation; facilitation of Passenger Safety Task Force RSAC meetings to address risk reduction strategies; and development of training courses on system safety and risk reduction to support the system safety rule.

  :

  - 1st Quarter and 2nd Quarter– Complete discussions within the RSAC community and draft the Notice of Proposed Rulemaking (NPRM). ($150K)
  - 3rd Quarter – Finalize and publish the NPRM. ($100K)
  - 4th Quarter – Review industry comments from the NPRM. ($100K)

Positive Train Control ($795,000)

- RSIA Section 104 requires FRA to certify Positive Train Control (PTC) systems prior to their operation. FRA PTC test monitors and inspectors need a device that provide high-precision, geo-location determination that provides the capability to cross-check the recorded database location with the actual location. Inaccurate location determination can result in failure of PTC systems to properly predicatively or reactively enforce against critical infrastructure points. ($145,000)

- Equipment Procurement: Trimble™ GPS geo-location systems (3 in first quarter FY 2011, 3 in second quarter FY 2011)
- Rationale: Database development by railroads will ramp up starting first quarter FY 2011, and increase, with major efforts by all railroads for track database development beginning third quarter FY 2011.

- RSIA Section 103 requires that the PTC systems provide for interoperability. PTC systems are a class of supervisory control and data acquisition (SCADA) systems. This class of systems has been shown to be susceptible to cyber attacks. A recommended practice for PTC SCADA security is therefore required. FRA will develop a recommended practice for freight PTC SCADA security that is compatible with APTA recommended practices for Database Trends and Applications SCADA security. FRA estimated needed 2 man-years of security engineering support to accomplish this requirement successfully. ($300,000)
  Timeline:
  - Engineering Support: (0.5 man-year first quarter FY 2011, 1 man-year second quarter FY 2011, 0.5 man-year third quarter FY 2011.)
  - Rationale: Major development work will take place during second quarter FY 2011.

- Technical support will be required to review, analyze and provide technical evaluation for the feasibility of proposed railroad implementation plans and evaluation of the capability of products proposed by the railroad to meet the statutory requirements and the associated regulatory requirements. ($300,000)
  Timeline:
  - Engineering Support: (0.25 man-year first quarter FY 2011, 0.5 man-year second quarter FY 2011, 0.5 man-year third quarter FY 2011, 0.75 man-year fourth quarter FY 2011.)
  - Rationale: Product development of PTC systems will start first quarter FY 2011 and ramp up during remainder of FY 2011.

- Travel funding is also requested to meet with the European Rail Agency (ERA) and the European member States to learn and leverage the FRA's experiences and lessons learned to support the development of interoperable PTC systems in the United States. ($50,000)
  Timeline:
  - Travel/Meeting first quarter FY 2011.
  - Rationale: Obtain lessons learned prior to start of significant product development in second quarter FY 2011.

Fatigue Prevention and Management ($600,000)

- The RSIA greatly expanded FRA's role with respect to fatigue among railroad employees performing safety-sensitive functions. This funding will help expand FRA's capability is required to provide guidance for railroad fatigue program development, refinement of

FRA's existing fatigue modal, and review of various industry proposals (e.g., pilot projects, waivers related to consecutive days of worked, scheduling of operating employees in passenger service, and the fatigue elements of risk reduction programs. FRA anticipates finalizing the project during the fourth quarter of FY 2011.

County-Based Rural Response Surveys ($75,000)

- During the response to the train derailments in Macdona, Texas (June 2004), and Graniteville, South Carolina (January 2005), issues concerning emergency responder preparedness, awareness, and ability to coordinate mutual aid attacks to large-scale toxic inhalation hazard (TIH) releases was identified as a potential problem area. FRA's objective with this project is to design a nationwide system and demonstrate application in selected regions that will assist emergency response organizations (career, volunteer, or mixed) in the rural environment in developing a comprehensive strategic and tactical approach for hazardous materials preparedness and transportation risk assessments. The project will examine the emergency response organizations having responsibility for hazardous materials response in the selected region and analyze their ability to support (or acquire support for) sustained hazardous materials response operations. FRA anticipates finalizing the project during the first quarter of FY 2011.

Other contract increases ($2,626,000)

The RSIA requires the Office of Railroad Safety to perform numerous studies, reports, and rulemakings within very aggressive deadlines. These RSIA initiatives are designed to achieve improvements in railroad safety. In order to ensure that RSIA mandates are met the Office of Railroad Safety requests enhancements to several existing contract support vehicles and activities including Drug & Alcohol Testing; Safety and Health, National Response; Locomotive Horn Rulemaking; Railroad Safety Advisory Committee and inspector travel.

Grade Crossings

16. Please list the 20 states that have the most grade crossing accidents, separating fatalities from collisions.

RESPONSE:

State	Crossing Collisions	Deaths	Percentage of Total Fatalities for 2009 (248 Total Fatalities)
Texas	177	23	9.27%
California	111	30	12.10%
Illinois	102	17	6.85%
Georgia	101	6	2.42%
Indiana	98	14	5.65%
Louisiana	84	11	4.44%

State	Crossing Collisions	Deaths	Percentage of Total Fatalities for 2009 (248 Total Fatalities)
Alabama	70	4	1.61%
Ohio	63	9	3.63%
Kentucky	57	1	0.40%
Tennessee	55	2	0.81%
North Carolina	54	8	3.23%
Iowa	52	4	1.61%
Michigan	49	12	4.84%
Florida	48	10	4.03%
Oklahoma	48	4	1.61%
Pennsylvania	46	1	0.40%
Wisconsin	46	2	0.81%
Kansas	46	2	0.81%
Arkansas	44	9	3.63%
Mississippi	42	8	3.23%
Totals for Top 20 States	**1,393**	**177**	71.37%

17. Please provide a table that shows the number of crossing accidents, crossing deaths, and trespass deaths.

RESPONSE:

Year	Crossing Collisions	Crossing Deaths	Trespass Deaths
1993	4,892	626	523
1994	4,979	615	529
1995	4,633	579	494
1996	4,257	488	471
1997	3,863	461	533
1998	3,508	431	536
1999	3,489	402	479
2000	3,502	425	463
2001	3,237	421	511
2002	3,077	357	540
2003	2,977	334	498
2004	3,085	371	472
2005	3,064	359	458
2006	2,941	369	511
2007	2,772	337	470

2008	2,408	289	456
2009	1,895	248	435
Change 1993-2009	-61.26%	-60.38%	-16.83%

NOTE: Previous years' statistics have been adjusted to reflect current information.

18. Please provide a chart identifying the number of grade crossing collisions for the past three years, including percent change over those three years.

RESPONSE: This data is sorted by the number of 2009 collisions, from highest to lowest. The information can also be located on FRA's Web site at:
http://safetydata.fra.dot.gov/officeofsafety/publicsite/summary.aspx

State	2007 Collisions	2008 Collisions	2009 Collisions	Percent Change
Texas	296	228	177	-40.20%
California	164	142	111	-32.32%
Illinois	160	152	102	-36.25%
Georgia	138	108	101	-26.81%
Indiana	164	141	98	-40.24%
Louisiana	122	113	84	-31.15%
Alabama	104	84	70	-32.69%
Ohio	120	95	63	-47.50%
Kentucky	75	51	57	-24.00%
Tennessee	73	63	55	-24.66%
North Carolina	68	69	54	-20.59%
Iowa	82	72	52	-36.59%
Michigan	67	59	49	-26.87%
Florida	90	75	48	-46.67%
Oklahoma	59	58	48	-18.64%
Pennsylvania	81	60	46	-43.21%
Wisconsin	62	69	46	-25.81%
Kansas	57	43	46	-19.30%
Arkansas	72	69	44	-38.89%
Mississippi	69	70	42	-39.13%
South Carolina	66	62	41	-37.88%
Nebraska	52	48	41	-21.15%
Minnesota	59	57	40	-32.20%
New Jersey	30	32	40	33.33%
Missouri	43	46	39	-9.30%
Virginia	35	44	34	-2.86%

Washington	48	36	32	-33.33%
New York	49	40	27	-44.90%
Colorado	31	31	22	-29.03%
West Virginia	26	15	22	-15.38%
Arizona	38	22	20	-47.37%
South Dakota	12	13	17	41.67%
Montana	18	19	15	-16.67%
North Dakota	13	14	15	15.38%
Maryland	16	17	13	-18.75%
Utah	17	12	13	-23.53%
New Mexico	14	10	13	-7.14%
Idaho	21	20	10	-52.38%
Oregon	26	13	9	-65.38%
Vermont	4	3	9	125.00%
Massachusetts	9	8	4	-55.56%
Maine	6	6	4	-33.33%
Connecticut	3	4	4	33.33%
Delaware	6	1	4	-33.33%
Nevada	1	6	4	300.00%
Wyoming	3	4	4	33.33%
Alaska	1	1	4	300.00%
New Hampshire	2	3	2	0.00%
District of Columbia	0	0	0	NM
Total	**2,772**	**2,408**	**1,895**	**-31.64%**

NM = Not Meaningful. The percent change calculation cannot be performed when the divisor is zero.

NOTE: Previous years' statistics have been adjusted to reflect current information.

Positive Train Control (PTC))

19. Please provide an update on where FRA is with the awarding of funds provided for the Rail Safety Technology Grants in fiscal year 2010.

    RESPONSE: The grant notification was published April 9, 2010. All applications are due to be submitted to FRA no later than July 1, 2010. FRA staff will conduct a merit-based review of each application for completeness and responsiveness, and then prioritize the applications. FRA anticipates award of the grants by September 30, 2010.

20. How does FRA intend to work with stakeholders to ensure that they are able to meet their estimated multi-billion dollar safety obligations by the 2015 deadline?

RESPONSE: FRA has taken a number of steps to facilitate railroads meeting the December 31, 2015, mandate. All FRA electronic engineers and signal specialists with any expertise with PTC are currently working exclusively on reviewing the 40 received implementation plans in order to meet the 90-day period required by the RSIA. The FRA team has been furthered augmented with a team of contractor specialists. FRA is, to the maximum extent possible, participating with the various stakeholders in the design, test, and implementation phase. The small cadre of FRA's senior engineering staff is actively participating in stakeholder design reviews in order to ensure regulatory compliance issues are caught as early as possible. This will enable any necessary design changes to be made as early in the design process, where they are the least expensive and have the least impact on implementation schedules.

To support railroads during their PTC test and implementation phase, FRA is aggressively recruiting signal specialists for each of the eight FRA regions whose sole responsibility is to address PTC related issues. These individuals are supported by headquarters signal engineers and specialists. In order to minimize duplication of work by the railroads and vendors, and facilitate the certification required by RSIA Section 104, FRA has established a process in the implementing regulations for the RSIA by which railroads using the same PTC product may share common PTC system specific information. Railroads using the same PTC product then only need to provide railroad specific information necessary for certification. In the case of PTC systems that have already been developed and deployed by railroads, FRA has further facilitated system certification with an expedited certification process.

Finally, with the support of the various railroad carriers, unions, and vendors through the FRA Railroad Safety Advisory Committee, FRA is working toward developing regulations that reduce the extent to which PTC needs to be installed. The approach FRA has taken provides many mechanisms that allow for individual railroads to make a showing that the railroads proposed actions not only provide an equivalent level of safety for employees and the public, but also facilitate a more rapid deployment.

21. What percentage of rail lines are required to implement PTC because of the transportation toxic inhalation hazard chemicals?

RESPONSE: The following table provides FRA's estimate of the requested percentages:

1	Total Miles of Track	141,000
2	Total Miles of Track (Class 1 mainline)	95,000
3	Total Miles of PTC Track (PIH/TIH)	69,000
4	% PTC Track (PIH/TIH) of Total Track Miles (Line 3/line 1)	49%
5	% PTC Track (PIH/TIH) of Class 1 mainline (Line3/Line 2)	73%

22. Please chronicle all major hazardous materials accidents/incidents during calendar year 2009. Please note the date, location, railroad, hazardous material, amount of material spilled, injuries, fatalities, evacuations, and the cost of the damage.

RESPONSE: Please refer to the following table.

Note: FRA's public Web site has data concerning accidents that meet the FRA reporting threshold of $8,900 for 2009.
http://safetydata.fra.dot.gov/officeofsafety/publicsite/Query/incabbr.aspx.

Major Hazardous Materials Accidents/Incidents During Calendar Year 2009

Date	Location	Railroad	Hazmat	Amount Spilled	Injuries	Fatalities	Number evacuated	Cost of damage
1/4/09	Lafayette, LA	Union Pacific	4-Thiapentanal	.5 gal	0	0	0	$3,500
1/6/09	Jackson, MS	CN	Ammonium nitrate	5,000 lbs.	0	0	0	$8,070
1/12/09	Defiance, OH	CSX	Alcohols, n,o,s,	1 gal.	0	0	0	$40,000
1/16/09 FRA	Littleton, CO	Union Pacific	Sulfur, molten	102 gal.	0	0	0	$1,389,267
1/20/09	Victoria, TX	Union Pacific	Adiponitrile	20.25 gal.	0	0	0	$11,264
2/10/09	Eugene, OR	Union Pacific	Hydrochloric acid	3 gal.	0	0	0	$0
2/15/09	New Orleans, LA	NOPB	Terpene Hydrocarbons, n.o.s.	1 gal.	0	0	0	$1,500
3/7/09	Plaquemine, LA	Union Pacific	Styrene monomer	1 gal.	0	0	100	$852,246
3/8/09	Buchanan, IA	CN	Alcohols, n.o.s.	85 gal.	0	0	31	$14,000
3/12/09 FRA	Carteret, NJ	CR	Isopropyl acetate	20 gal.	1	0	0	$70, 519
3/24/09	Dawson, MT	BNSF	Diesel fuel	400 gal.	0	0	0	$8,400
4/9/09	La Mirada, CA	BNSF	Alcohols Corrosive liq	2 qts.	0	0	0	$400,000
4/16/09	Van Buren, AR	Union Pacific	Corrosive liquids, n.o.s.	1 qt.	1	0	0	$2,112
4/21/09	Roseville Pacer, CA	Union Pacific	Fluorosilicic acid	.0625 gal.	1	0	0	$3,000
5/1/09	Freeport, TX	Union Pacific	Hydrochloric acid	400 gal.	0	0	0	$28,872

5/8/09 FRA	Ridgecreek NC	NS	Ammonium nitrate	1,000 Lbs.	0	0	0	$52,050
5/9/09	Palm Coast FL	FEC	Hydrochloric acid	16,800 gal.	1	0	0	$1,624,128
5/18/09 FRA	Schiller Park, Il	WC	Alcohol, n.o.s	1 gal.	0	0	0	$13,792
5/22/09	Durham, NC	NS	Sodium hydroxide	6200 gal.	0	0	2	$36,500
5/28/09	Green Mountain NC	CSX	Alcohols, n.o.s.	100 gal.	0	0	6	$2,251,000
5/29/09	St. Louis, MO	BNSF	Hazardous waste, solid	65000 Lbs	0	0	0	$315,095
6/14/09	Spring, TX	UP	Styrene monomer	.25 gal.	0	0	0	$704
6/15/09	Schulenburg, IL	UP	Flammable liquids, n.o.s.	20,000 gal	0	0	100	$2,049,601
6/19/09	Cherry Valley, IL	CN	Alcohols, n.o.s.	323,963 gal	11	1	2000	$1,766,166
6/30/09	Laurel, MT.	MRL	Sulfuric acid	10 gal.	2	0	0	$0
7/8/09	Gordon, GA	CSX	Caustic soda	10,341 gal.	0	0	0	$539,958
7/8/09	Long Beach, CA	UP	Environmentall y haz. sub	6 gal.	0	0	0	$8,008
7/12/09 FRA	Galesburg, Il	BNSF	Gasoline	2 gal	0	0	0	$20,000
7/13/09 FRA	Savannah, GA	NS	Cyclohexane	1 Lb.	0	0	0	$22,000
7/23/09	Mclean, ND	DMVW	Alcohols, n.o.s.	174 gal	0	0	0	$610,000
7/26/09	Urbana, IL	CN	Styrene monomer	I gal	3	0	0	$7,503
8/8/09	La Coste, TX	UP	Sulfuric acid	2 gal.	0	0	0	$1,400
8/8/09	Kingsley, PA	CP	Hydrochloric acid	10 gal	0	0	0	$2,400
8/15/09	Gilead, ME	SLR	Ethanol	vapor release	0	0	2	$1,106,830
9/15/09	Pine Bluff, AR	UP	Hydrochloric acid	.125 gal.	1	0	0	$3,600
9/15/09	Knoxville, TN	NS	Alcohols, n.o.s.	8204 gal.	0	0	25	$350,000

9/21/09 FRA	Granite City, IL	NS	Propylene/Propane mix	vapor release	1	0	0	$84,580
10/2/09	Fort Edward, NY	CP	Sodium hydroxide	1 gal.	0	0	0	$630
10/14/09	Detroit, MI	CR	Hydrochloric acid	1 gal.	2	0	0	$0
11/1/09	Butler, PA	B&P	Argon refrigerated liquids	176 gal.	0	0	0	$0
11/6/09	Los Angeles, CA	BNSF	Picolines & Ammonium nitrate	1,780	3	0	0	$113,000
11/23/09	Houston, TX	UP	Ammonium nitrate	47,600 Lbs.	0	0	0	$1,460,613
11/27/09	Valencia, NM	BNSF	Argon refrigerated, liquid	125 gal.	0	0	0	$700
11/27/09 FRA	Northtown, MN	BNSF	Alcohols, n.o.s.	5 gal.	0	0	0	$163,600
12/9/09	Kara, WY	BNSF	Ammonium nitrate	74,800 Lbs.	0	0	0	$779,627

23. Please provide the number of carloads of hazardous materials transported each year. How many per train mile?

RESPONSE: Based on the Surface Transportation Board's Waybill Sample for 2008, the estimated number of carloads of hazardous materials that terminated or originated in the United States are as follows:

Terminated

All Hazmat = 1,681,000

Originated
All Hazmat = 1,114,000
Total train miles for all commodities, including non-hazardous was approximately 524.22 million for 2008.

24. Please provide the number of carloads of chlorine and anhydrous ammonia transported each year. How many per train mile?

RESPONSE: Based on the Surface Transportation Board's Waybill Sample for year 2008, the estimated number of carloads that terminated or originated in the United States are as follows:

Terminated

Anhydrous Ammonia = 37,500 carloads

Chlorine = 31,000 carloads

Originated

Anhydrous Ammonia = 29,900 carloads

Chlorine = 27,600 carloads

Data for 2009 is still being calculated and neither the Association of American Railroads nor the Federal Railroad Administration tabulate the number of train miles per commodity.

Railroad Research and Development (R&D)

25. Please provide a list of all Railroad Research and Development grantees, research objectives for each grant, activities undertaken, and the total amount of each grant, the total amount to be awarded in fiscal year 2010, and scheduled completion date for each research project. Please provide this information by program activity.

RESPONSE:

Track and Structure:

1. **University of California – San Diego: Rail Defect Detection Prototype Development and Demonstration.**

The objective of this project is two-fold, namely: (1) develop the rail defect detection method to allow for **higher defect detection reliability** than is currently achievable, particularly for internal transverse head cracks and (2) develop the rail defect detection method to allow for **higher inspection speeds** than is currently achievable. A prototype that can test a single rail a time has been developed and tested both in the lab at university as well as in the field with encouraging results. A final developmental testing is schedule at Herzog Testing Facility in St. Joseph, MO. The plan is to develop a complete system that can test both rail simultaneously at speeds over 40 mph. FRA grant for this project in FY 2010 is in the amount of $407,003 with a currently funded developmental phase completion date of December 31, 2010.

2. **University of California – San Diego: Automated Measurement of Stress in Continuous Welded Rail, Phase III**

The two main objectives of this research and development grant are: (1) to verify the sensitivity of low- and mid-frequency dynamic signatures of rails (frequency shifts, damping, mode shifts, and wave velocities) to the conditions of Neutral Temperature and Incipient Buckling and (2) to develop and test a prototype which uses non-contact dynamic sensing to measure in-situ rail stress to determine Rail Neutral Temperature and the associated incipient buckling in motion at speeds up to 30 mph. Phase 1 (Year 1, SOW) have been substantially completed, with encouraging results from a new approach, based on a Semi-Analytical Finite Element (SAFE) technique. Phase II (Year 2) work, involving full scale experimental set up at UCSD's Powell Structural Laboratories and related testing, is in progress. FY 2010 funding in the amount of $288,301 is to support Phase III for prototype, field testing and final by completion date of December 31, 2011.

3. **University of Nebraska – Lincoln: Automated Measurement of Longitudinal Rail Stress**

The objective of this project is the automated measurement of longitudinal rail stress (LRS). It addresses one of the leading causes of track related accidents according to FRA railroad safety statistics. The planned research will build on the accomplishments of previous FRA supported research in this safety critical area. It will use a new ultrasonic techniques based on the acousto-elastic effect to determine LRS. With this approach, ultrasonic parameters (wave speed, diffuse backscatter, etc.) will be stored for a specific section of rail only a few feet long. Future measurements can then be compared to this profile to estimate the changes in rail stress. Comparing the current measurement with the original ultrasonic profile will help eliminate effects of rail boundary conditions and help differentiate between residual and actual stress. FRA funding for this research in FY 2010 is in the amount of $262,000 to be completed by December 31, 2011.

4. **West Virginia University – Morgantown: Composite Materials Use for Railroad Infrastructure (Congressional Earmark in FY 2010 R&D Budget)**

This project supports the design, fabrication, laboratory and field evaluation with respect to both performance and economy of fabric reinforced polymer (FRP) thermoplastic shell railroad crossties made with wood or tire core. Prototype that has been developed under a previous grant will be further refined fabricated, and shipped to the Transportation Technology Center (TTC) in Pueblo, CO. for installation and performance evaluation on the Facility for Accelerated Service Testing (FAST). Data collected will be provided to WVU for analysis, and incorporation into final report documenting results of this research and development project. Available funding in FY 2010 is $244,000. The project is scheduled for completion by December 31, 2012.

Grade Crossings:

5. **Illinois Commerce Commission: Illinois Public Education and Enforcement Research Study**

The objective is to implement a dedicated program of education and enforcement of highway-rail grade crossing safety laws. The ICC will provide funding to railroads, safety related non-profit agencies, and cities and towns in Illinois willing to carry out customized education and enforcement programs targeted at reducing or eliminating pedestrian and motor vehicle grade crossing violations. The planned amount of funding for fiscal year 2010 is $487,000. The planned completion date is January 31, 2012.

6. **University of Michigan for the Automated Extraction of Grade Crossing Features from LIDAR Data: Grade Crossing and Trespass Prevention Research**

This will be the second phase of a three phase project. The research objectives are to develop the algorithms needed to extract grade crossing features from LIDAR data. These features will include crossing location, crossing angle, sight lines, and crossing profile. These features will be automatically cataloged into a database. Testing of the algorithms and database cataloging will be conducted on FRA's high-rail test vehicle. The planned amount of funding for fiscal year 2010 is $100,000. The planned completion date for the project is December 31, 2012.

Train Control:

7. **Southern California Regional Rail Authority (SCRRA): Metrolink Positive Train Control (PTC)**

In response to the Rail Safety Improvement Act of 2008 that requires implementation of PTC by 2015, Metrolink is developing a PTC system for its rail lines. This funding will be used to design a replacement dispatching system to be installed in the Metrolink operations center. PTC-related hardware will also be purchased. The planned amount of funding for fiscal year 2010 is $487,000. The planned completion date is September 30, 2011. Actual deployment of the Metrolink PTC system will occur after this date.

8. **Peninsula Corridor Joint Powers Board: Caltrain PTC/CBOSS System Development**

The primary objective is to provide support for the development of a communication based train control system, a form of positive train control, to be overlaid onto the existing signal system that Caltrain is operated on. This project includes the preparation of a Request for Proposal, support in proposal evaluation and source selection and develops implementation plan and interoperability solution, as required by the 2008 Rail Safety Improvement Act. The planned amount of funding in fiscal year 2010 is $1,250,000. The planned completion date is December 2011 for these initial development tasks. The actual installation and deployment of positive train control, which are beyond the scope of this grant, requires further funding.

Human Factors:

9. **Railroad Research Foundation: Countermeasures to Reduce Suicides on Railway Rights-of-Way**

The research objectives are to determine the prevalence and underlying causal factors of rail-related suicides in the U.S, to develop effective measures to reduce the incidence of suicide along railway rights of way (including crossings), establish a pilot program of prevention countermeasures and provide baseline for monitoring trends. The planned amount of funding for fiscal year 2010 is $250,000. The planned completion date for this program is in fiscal year 2011.

10. University of Connecticut: FRA and Rail Job Task Analysis

The research objectives are to conduct job analyses of selected FRA and railroad employees' jobs in safety critical crafts. The purpose is to develop the critical informational underpinnings for improving railroad recruitment, selection, and training strategies, and safety awareness and mentoring programs. The planned amount of funding in fiscal year 2010 is $100,000. The planned completion date for this program is in fiscal year 2012.

Track and Train Interaction:

11. University of Illinois – Chicago: Enhancements and Support of SamsRail (Simulation of Multibody Railroad Vehicle/Track Dynamics)

The objectives are to enhance the capabilities and provide support for the Samsrail. Originally, the University of Illinois developed this software for FRA to enhance the government's capability for modeling and simulating the dynamic performance of a user-defined vehicle/track system with modeling and simulation capabilities for light weight, high speed vehicle/track system. The funds will be used to make enhancements like development of the track model and suspension elements. The planned amount of funding for fiscal year 2010 is $580,000. The planned completion date is fiscal year 2012.

Rolling Stock and Components:

12. University of Nebraska - Lincoln: Wireless Sensors Network (WSN)

The objective of this grant is to provide small, low-power devices onboard each railcar for collecting real-time mechanical, safety, and security information for Freight Car WSNs. The grant will also focus efforts on developing solutions for identified wireless communication problems with current WSN technology. This will complement existing railroad investments in WSN applications: inventory tracking, data reporting and alerting. To complete the program UNL will develop and evaluate a standard protocol for effective operation of freight train WSNs for the freight railroad industry. The planned amount of funding for fiscal year 2010 is $250,000. The planned completion date is fiscal year 2012.

Hazardous Materials Transportation

13. Rowan University: Charpy Testing of Railroad Tank Car Steel TC 128B

The objective of this project is to investigate differences in Charpy values that were measured by two different mills for materials with the same specification of TC 128B in the stress relieved and normalized condition for steels to be used for construction of new chlorine tank cars. The planned amount of funding for fiscal year 2010 is $50,000. The planned completion date for the project is July 2011.

Railroad Systems Issues

14. Norfolk Southern: Battery Cycling and LEADER Road Locomotive

This program is a continuation of a cooperative research program jointly funded by the FRA, DOE, and Norfolk Southern -- under which a battery powered locomotive was designed, built and placed into evaluation service in the Norfolk Southern Altoona yard. Further research is planned to improve the performance of the long battery strings and to develop a version of the LEADER train management system for use with the battery powered locomotive to enable optimal train handling. The planned amount of the grant in fiscal year 2010 is $400,000.

15. Transportation Research Board/National Academy of Sciences: IDEA Program Co-op Res. Effort

This program is a continuation of a cooperative research and development program which is administered by the National Academy of Sciences on behalf of the FRA to identify and explore the potential of promising new railroad safety technologies. Recent projects have demonstrated the potential for improved methods of the detection of compromised roller bearings to allow early warning of potential failures. The planned amount of the grant in fiscal year 2010 is $200,000.

16. Electric – Motive Diesel: LED Board Development and Demonstration

The planned amount of the grant in fiscal year 2010 is $150,000.
NOTE: Awaiting project description. FRA Budget will forward to House Staff as soon as it is received.

Train Occupant Protection

17. Electric – Motive Diesel: Egress Window Development and Demonstration

The FRA has been working with the railroad industry and suppliers to identify and develop improved methods for train operator egress and access by emergency personnel in the event of a train accident or derailment. This effort is intended to demonstrate the effectiveness of one such method. The planned amount of the grant in fiscal year 2010 is $90,000.

18. Center for Commercial Deployment of Transportation Technologies (CCDoTT), Long Beach, CA: Evaluation of Integrated Manufacturing Approaches for Propulsion and Levitation of Electric Cargo Conveyor (ECCO) Inductrack Freight Systems *(note: This was an earmark and not included under any specific R&D program activity)*

The research objectives are to support research activities that will focus on the evaluation of integrated manufacturing approaches for propulsion and levitation of ECCO Inductrack systems, specifically, the advancement of Linear Synchronous Motor (LSM) propulsion technology, which is a key component of "Green Mat," a freight movement process that utilizes LSM to move vehicles over interlocking composite guide way segments. In addition, CSULB's CCDoTT will assist General Atomics (GA) in the specification, design, and fabrication of a platform adapter that will serve to secure loaded freight cargo containers to a carriage component of the ECCO. **Activities undertaken:** (1) A new carriage has been designed and fabricated for the only full-scale passive Maglev facility in the United States at General Atomics in San Diego California. (2) Manufacturing approaches for laminate levitation structures have been assessed and documented with the assist of General Atomics Maglev test track personnel. (3) The design of a test fixture for evaluating LSM/HMA propulsion approaches is being finalized with the assist of our partner, Lawrence Livermore National Laboratories. The total grant amount is $244,918, with no funding planned in 2010. The scheduled completion date is December 31, 2011.

26. Please provide a chart of the activities requested within the R&D account by program from FY 2008 through FY 2011. Please include the amount of funding that was requested and the actual amount of funding received for each year.

RESPONSE:

	Federal Railroad Administration Office of Research and Development Budget for Fiscal Years 2008 through 2011 ($000)							
Program	2008		2009		2010		2011	
	Requested	Received	Requested	Received	Requested	Received	Requested	Received
Railroad System Issues	3,168	3,168	3,155	3,155	3,155	3,623	4,010	-
Human Factors	3,616	3,616	3,475	3,075	3,075	3,270	3,670	-
Rolling Stock and Components	2,871	2,871	3,500	3,000	3,000	3,000	3,000	-
Track and Structures	3,861	3,861	4,450	4,450	4,645	5,450	5,450	-
Track and Train Interaction	3,168	3,168	3,100	3,600	3,600	3,600	3,800	-
Train Control	5,100	5,600	6,720	7,120	7,120	7,870	8,270	-
Grade Crossings	2,178	2,178	1,850	1,850	1,850	2,100	2,200	-
Hazardous Materials Transportation	1,287	1,287	1,550	1,550	1,550	1,550	1,550	-
Train Occupant Protection	5,120	5,120	3,600	3,600	3,600	4,600	4,700	-
R&D Facilities and Test Equipment	1,881	1,881	2,550	2,550	2,550	2,550	2,850	-
Advanced Freight Locomotive Safety	-	980	-	-	-	-	-	-
Demo & Deployment PTC (Alaska)	-	735	-	-	-	-	-	-
Communications Center (CAL Tech)	-	245	-	-	-	-	-	-
WVU Constructed Facility Center	-	191	-	-	-	-	-	-
Marshall Univ and Univ of Nebraska	-	573	-	-	-	-	-	-
PEERS, IL	-	490	-	-	-	-	-	-
Rail Cooperative Research Program	-	-	-	-	-	-	500	-
Total	*32,250*	*35,964*	*33,950*	*33,950*	*34,145*	*37,613*	*40,000*	-

Rail Line Relocation and Improvement Program

27. Please provide a list of projects funded with the discretionary funding provided in Rail Line Relocation for fiscal year 2008 and fiscal year 2009. Please include a summary the request amount, and the award amount.

RESPONSE: A total of $79.5 million has been appropriated for this program activity by Congress: $20 million in FY 2008, $25 million in FY 2009, and $34.5 million in FY 2010. Of the total appropriated, approximately $32.8 million is available for discretionary competitive grants.

Rail Line Relocation and Improvement Funding
(in millions)

	Disc Funding	Special Projects	Total Enacted
FY 2008	$ 14.9	$ 5.1	$ 20.0
FY 2009	7.9	17.1	25.0
FY 2010	10.0	24.5	34.5
Total	***$ 32.8***	***$ 46.7***	***$ 79.5***

In FY 2008, FRA announced approximately $12.3 million in competitive awards (see chart below). The remaining FY 2008 unallocated discretionary funding, plus the competitive discretionary grant funds available in FY 2009 and FY 2010 will be combined and announced in a competitive grant solicitation to be issued by FRA later this summer.

Projects Funded With FY 2008 Discretionary Funding
(in millions)

Grantee	Project	Amount Announced
Pennsylvania DOT	Dillerville Yard Relocation	$4.0
Schuyler County, NY	Watkins Glen Track Relocation	.3
City of Pleasantville, NJ	Southern Railroad Track Rehab	.2
North Carolina DOT	Aberdeen & Rockfish RR Improvements	2.8
North Carolina DOT	Greenville CSX Yard Relocation	1.0
Cameron County, TX	Brownsville Rail Relocation	4.0
	TOTAL	***$12.3***

Note: The Strander Boulevard Rail Realignment project in Tukwila, WA, was selected for a $2 million award in FY 2008. However, the applicant was unable to complete a railroad agreement and eventually turned down the award.

28. For the discretionary program in Rail Line Relocation, please provide the total number of applications received, the total amount requested, and the total amount funded since fiscal year 2008.

RESPONSE: In FY 2008, the Rail Line Relocation and Improvement Program received 54 applications for approximately $252 million in competitive discretionary funding. Seven applications were selected to receive a total of $14.3 million in funding.

One of the seven applicants ultimately turned down a $2 million grant, resulting in a total of $12.3 million to be funded under the FY 2008 process. FRA plans to consolidate the unawarded funds from the FY 2008 program, with the unobligated discretionary funds from FY 2009 and FY 2010 and will announce a grant solicitation totaling $20.5 million, sometime later this summer.

Amtrak

29. Please provide an update of the funds provided to Amtrak in the American Recovery and Reinvestment Act.

RESPONSE: Through July 14, 2010, Amtrak had expended $395 million of Recovery Act funding and awarded contracts worth over $819 million. At this time, Amtrak has not notified FRA of any projects that they anticipate extending beyond February 2011.

30. Amtrak's budget request includes $28 million to exercise early buyout options on two of their leases. Does the FRA's budget request for fiscal year 2011 include funding for this purpose? Why or why not?

RESPONSE: The President's FY 2011 budget includes $288 million for Amtrak debt service, which is the authorized level. The President's budget does not include $28 million to exercise early buyout options. As required by Section 205 of the Passenger Rail Improvement and Investment Act of 2008 (PRIIA), the Treasury Department is assessing whether a restructuring of Amtrak debt is possible, given the statutory requirement that such restructuring result in "substantial savings" to both the Federal Government and Amtrak.

Amtrak Fleet Plan

31. In what ways can FRA help support Amtrak with its fleet plan? The success of Amtrak's fleet plan requires a large increase annual funding. What alternatives beyond direct appropriations does FRA see available to Amtrak?

RESPONSE: FRA is supportive of Amtrak's fleet plan and recognizes the need for Amtrak to renew its fleet. In FY 2010, $2 million was appropriated under the Safety and Operations account to support the Next Generation Corridor Equipment Pool Committee, which is authorized under Section 305 of PRIIA.

FRA is working with Amtrak and the states and expects both them to buy standardized equipment with specifications developed by the Section 305 Committee, which will lower both Amtrak's and the states' costs by leveraging their purchasing power. Possible funding alternatives beyond direct appropriations could be for Amtrak to finance rolling stock or enter into leases such as the "power by the hour" type leases used by some freight railroads for locomotives.

Amtrak's Labor Agreement

32. What is the status of Amtrak's labor negotiations and how quickly do they expect to complete them?

RESPONSE: Amtrak's labor contracts are all currently amendable. Amtrak's current management has indicated that they would like to reach a quick settlement with its labor unions and not go through a drawn out process as occurred before the current agreements were put into place. While Amtrak and its unions are the best sources of this information, FRA understands that Amtrak has tentative agreements covering over 40% of its unionized workforce at this time.

Compliance with the Americans with Disabilities Act

33. Please provide an assessment of Amtrak's current plan to meet its compliance with the Americans with Disabilities Act requirement.

RESPONSE: Pursuant to the Americans with Disabilities Act of 1990, Amtrak is required to make all stations, facilities, and equipment "readily accessible to and usable by individuals with disabilities" by July 26, 2010. With few exceptions, Amtrak's equipment is now ADA-compliant. However, Amtrak's system includes 528 stations, 482 of which must be made ADA-compliant, and most of which are not wholly owned by Amtrak. Most of the larger stations are compliant with ADA requirements, but the ownership challenges – particularly with regard to smaller, non-Amtrak-owned stations – and the need for individual design plans for each station have caused delays.

In 2009, Amtrak began the "Mobility First" program to increase wheelchair access to trains and stations. In FY 2010, Amtrak will spend $15 million in ARRA funding to implement this program, addressing accessibility issues such as low-level platforms and parking lot improvements. Amtrak expects to improve accessibility at more than 200 stations during FY 2010 through the "Mobility First" program.

The "Mobility First" program represents a significant step toward ADA-compliance, but Amtrak will ultimately require an extension of the July 26, 2010 deadline. In February 2009, Amtrak developed a plan to become ADA compliant by FY 2014. This plan includes $144 million expended in FY 2010 and $280.7 million expended in FY 2011 toward the necessary improvements. This five-year plan includes annual performance-based extensions by Congress dependent upon Amtrak's meeting certain milestones toward full compliance.

North East Corridor

34. Please provide an update on the Northeast Corridor Infrastructure and Operations Advisory Commission.

RESPONSE:

Status of the Northeast Corridor Infrastructure and Operations Commission (PRIIA Section 212)

- The U.S. Department of Transportation (DOT) solicited nominees from the Northeast Corridor (NEC) States, the District of Columbia, and Amtrak to serve as voting members on the Commission. Just recently the slate was completed with Amtrak, the District, and all States submitting their nominees (please see attachment).
- Concurrently, DOT top management is carefully reviewing possible candidates for Commission memberships from the Office of the Secretary and the Modal Administrations to ensure proper representation on the Commission.
- Having established the accounting stream for charges against the Commission's appropriation, the Federal Railroad Administration is currently concluding an interagency funding agreement with the Volpe National Transportation Systems Center to handle logistical support for the Commission, and to develop an agenda and supporting materials for the kickoff meeting. Should the Commission so choose, Volpe will remain available to provide the Commission with support in carrying out its substantive objectives.
- In view of the full schedules maintained by the Commission's members, we currently expect the "kick off" meeting to occur in July. An initial conference call may be pursued sooner depending on scheduling availability.

Attachment:

Nominations to Date for NEC Infrastructure and Operations Commission

States and DC: Total of 9 Voting Members		
DE	Carolann Wicks	Secretary of Transportation State of Delaware
CT	Jim Redeker	Bureau Chief of Public Transportation Connecticut DOT
MA	Jeffrey B. Mullan	Secretary of Transportation Commonwealth of Massachusetts
MD	***Nominee:*** Simon Taylor	Chief of Staff Maryland Transit Administration
	Alternate: Caitlin Hughes Rayman	Assistant Secretary for Transportation Policy and Freight Maryland DOT
NJ	James Weinstein	Executive Director NJ Transit
NY	Stanley Gee	Acting Commissioner New York DOT
PA	Toby Fauver	Deputy Secretary for Local and Area Transportation, Pennsylvania DOT
RI	Stephen Devine	Chief of Intermodal Planning Rhode Island DOT
DC	Scott Kubly	Associate Director Progressive Transportation Services Administration District Department of Transportation
Amtrak: Total of 4 Voting Members		
Amtrak	William Crosbie	Chief Operating Officer
	Joe McHugh	Vice President Government Affairs and Corporate Communications
	Drew Galloway	Assistant Vice President Policy and Development
	Stephen Gardner	Vice President, Policy and Development

35. Please provide an update on the funding provided for the Northeast Corridor Infrastructure and Operations Advisory Commission in fiscal year 2010. How much additional funding is needed for the Commission in fiscal year 2011?

RESPONSE: Funding for this Commission is authorized under Section 212 of PRIIA and amounts available in the Capital and Debt Service Grants To The National Railroad Passenger Corporation appropriation as one half of one percent of the total. In FY 2010, a total of $5 million was available for this activity. The FY 2011 budget request proposes $5.26M for the commission.

High Speed and Intercity Passenger Rail

36. What role will the National Rail Plan play in coordinating the investments made with the funding provided for High Speed and Intercity Passenger Rail?

RESPONSE: The National Rail Plan will provide a framework for discussions with Congress to set priorities and proposed approaches to intercity passenger rail and freight rail investment. The National Rail Plan will also provide guidance in the development of intercity passenger and freight rail in the Nation's transportation system, including: helping to define the roles of FRA, the States, and other stakeholders; identifying preliminary system performance outcomes and metrics; and outlining proposed technical assistance offered by FRA.

FRA is currently conducting extensive outreach to include stakeholders in the development process of the National Rail Plan. From March 30th through April 15th, FRA held 10 focus groups with subject matter experts from industry, government, academia, and other stakeholder groups to address issues affecting the development of the plan. The topics of the focus groups included environmental review, expediting project delivery, funding and finance, governance, land use, manufacturing capacity building, network design, professional capacity building, opportunities and challenges, and security. From May 19th through June 4th, FRA held an additional five public outreach meetings across the country to solicit further feedback.

FRA is required to submit the National Rail Plan to Congress by September 15, 2010, as mandated in the FY 2010 DOT Appropriations Act.

37. Please provide us with an update on where FRA is in the awarding process for the $8 billion provided in the American Reinvestment and Recovery Act.

RESPONSE: FRA has developed a "fast-track" process for expediting the award of selected High-Speed Intercity Passenger Rail (HSIPR) Program projects. The "fast-track" review process prioritizes projects based on the completion and sufficiency of their award prerequisite documentation (statements of work, engineering materials, environmental determinations, capital and operating financial plans, project management and implementation plans, stakeholder agreements, etc). FRA is currently engaged with selected recipients to finalize these award prerequisites and refine project scopes and budgets to ensure that appropriate costs are allocated for the proposed investment, align with HSIPR Program goals and resources, and maximize public benefits.

FRA initially identified 30 standalone projects (totaling approximately $542 million), one small corridor program ($35 million), and approximately $780 million worth of major corridor program components as "fast-track." On May 27th, FRA obligated funding for the first two ARRA awards under the HSIPR Program, both of which are components of major corridor programs:

- $66.6 million for program management and preliminary engineering on the planned 150+mph high-speed rail service between Tampa and Orlando, Florida. This project will create jobs and generate economic activity as 84 miles of track are constructed, stations are built or enhanced, and equipment is purchased. Along with California, Florida was the only state to submit plans to the Department of Transportation to create a new, high-speed rail line.

- $5.7 million for environmental assessments of planned new stations on the route between Milwaukee and Madison, Wisconsin that will host passenger rail service operating at speeds up to 110mph.

An additional $56 million worth of projects are currently undergoing the final review and administrative processes conducted prior to formal award. (FRA has also awarded and obligated three HSIPR projects funded from FY 2009 annual appropriations).

While the timeframe for issuing these awards will vary on a project-by-project basis, FRA intends to meet the Recovery Act mandate of obligating funding by the end of Fiscal Year 2012.

38. What is the timeline for the funding provided in fiscal year 2010?

RESPONSE: On April 1st, FRA published two Notices of Funding Availability in the *Federal Register* soliciting applications for the $50 million made available for planning under the FY 2010 DOT Appropriations Act: (1) applications for individual planning projects and (2) proposals for FRA-led multi-state corridor planning. (FRA also published a solicitation for the approximately $65 million in remaining FY 2009 construction funding). These applications were due to FRA by May 19th. FRA anticipates announcing these planning (and remaining FY 2009 construction) selections this summer.

FRA announced FY 2010 funds under two solicitations that will close August 6th: (1) up to $245 million for standalone final design/construction and/or preliminary engineering/NEPA projects and (2) at least $2.125 billion for the development of corridor programs. FRA intends to announce selections by the end of FY 2010.

39. How does FRA plan to conduct its oversight of awards in order to see that the money is spent wisely, that projects will be completed on time, and that the nation will see real transportation benefits from them?

RESPONSE: FRA is drawing from a number of resources in developing a robust oversight and monitoring program for high-speed rail projects, including: existing agency procedures, new HSIPR Program-specific protocols, and incorporating best practices and lessons learned from other major Federal transportation investment programs, including those employed by FTA and FHWA.

<u>Award Process</u>
To set the foundation for sound HSIPR Program oversight, FRA has structured its award process to incorporate mechanisms and incentives for effectively managing and

minimizing the inherent implementation risks associated with selected projects. These risks and challenges include the limited capability and capacity of the States (in terms of both financial resources and experience implementing rail projects) and the early stage of planning and development at which many selected projects are currently situated.

For complex corridor development programs, FRA will issue a Letter of Intent (LOI) that represents a contingent financial commitment to a State's corridor program. The LOI will contain defined milestones and conditions – such as the implementation of a comprehensive risk management plan – that must be satisfied prior to commencement of specific stages of the project's implementation and the obligation of Federal funding for those stages. These milestones will help to ensure successful and timely project completion and provide a means of protecting the Federal interest should a project not proceed in accordance with the project sponsor's plans. A LOI does not represent an obligation or disbursement of funds. Funding will only be obligated and disbursed as milestones are achieved.

For the majority of projects (including all those which receive a letter of intent), obligation of Federal funding will be performed through the use of cooperative agreements, which allow for greater Federal participation in risk management, oversight, and technical assistance than afforded under standard grant agreements.

Oversight

In addition to the risk management approaches incorporated in the award process, FRA is implementing a comprehensive strategy for project oversight. FRA's project oversight program will consist of programmatic, financial, and administrative reviews of grantee-submitted reports and documentation, as well as grantee/project site visits conducted by FRA staff and Project Management Oversight Contractors (PMOCs). FRA will use the traditional means of reporting and oversight available to federal agencies, including quarterly financial reporting, ARRA performance metric reporting, and semi-annual progress reporting to monitor progress and identify risks.

FRA is adopting several project oversight tools similar to those long-employed by FTA - specifically through the required development of Project Management Plans for major capital projects, and the use of PMOCs to aid FRA staff in project oversight. The Passenger Rail Investment and Improvement Act of 2008 (PRIIA) requires high-speed rail grantees to develop and carryout comprehensive project management plans, with a particular focus on risk management. FRA will employ PMOCs to supplement FRA staff both in headquarters and in the field. PMOCs will assist FRA in monitoring and ensuring that the development and implementation of each project complies with all applicable statutes, regulations, and FRA guidance; proceeds in accordance with the terms of grant agreements, including the agreed upon scope, budget and schedule; conforms with sound engineering and project management practices; and meets the requirements of approved plans and specifications. FRA will also utilize the PMOCs to provide broad, programmatic training and technical assistance to all grantees, and, where necessary, tailored support for specific grantees and projects.

FRA is also adopting the tools for Major Project Delivery that were developed by FHWA following completion of the Central Artery/Tunnel Project, and which were later incorporated as statutory requirements for major Federal highway projects under SAFETEA-LU. As developed by FHWA's Major Projects team, this approach toward risk management rests on the use of three primary tools: a Project Management Plan, a Financial Plan, and a comprehensive risk-based Cost Estimate Review. Consistent with FHWA procedures, these tools will be updated and refined as projects progress through the development process.

FRA will also develop a tracking tool to monitor grantee responses to oversight findings and other audits (A-133, Department of Transportation Office of Inspector General, and Government Accountability Office). The tracking tool will enable FRA to identify instances where grantees do not adequately resolve findings or fail to respond in a timely manner and allow FRA to focus monitoring efforts on those programs and grantees that require the most assistance or have the greatest potential for waste or abuse.

In addition to facilitating project-specific corrective actions for issues identified during grant oversight, FRA will aggregate the results of its reviews and site visits to identify broader trends affecting grantees across the program. These trends and findings will be incorporated into FRA's Training and Technical Assistance program, which is intended to preempt potential issues and concerns facing the program and its grantees.

40. One of the goals of investment in high speed rail is to revitalize the domestic rolling stock manufacturing base and to provide a steady market for the purchase of locomotives and passenger cars. What specific steps has FRA taken to promote and foster the renewal of this critical industry?

RESPONSE: FRA views the standardization of rolling stock and other rail equipment as a critical factor in creating the economies of scale necessary to achieve the Administration's goal of developing a sustainable railroad equipment manufacturing base in the United States. As such, FRA included evaluation criteria in its review of HSIPR Program applications on a proposed project's ability to promote technical interoperability and standardization (including operations, equipment, and signaling systems).

In addition to incentivizing grantees' use of standardized equipment, FRA is actively participating in the Next Generation Corridor Equipment Pool Committee, which was authorized under Section 305 of the Passenger Rail Investment and Improvement Act of 2008 (PRIIA) to design, develop specifications for, and procure a standardized next-generation rail corridor equipment pool. The committee is on target to deliver a bi-level intercity car specification in July and is scheduled to complete single-level car and locomotive specifications by the end of the year.

Projects funded under the HSIPR Program are also required to comply with the provisions of Buy America set forth in 49 U.S.C. 24405(a). Additionally, the Secretary of Transportation hosted a conference on domestic high-speed rail manufacturing on December 4, 2009, at which more than 30 domestic and foreign manufacturers and suppliers committed to establishing or expanding their base of operations in the United States if they are chosen by States to assist in implementing their projects. These requirements and commitments will result in increasing both supply of and demand for rolling stock and other rail equipment components manufactured domestically.

41. Please provide an update on Next Generation Corridor Equipment Pool Committee.

RESPONSE: Section 305 of the Passenger Rail Investment and Improvement Act of 2008 (PRIIA) called for Amtrak to establish a committee to design, develop specifications for, and procure a standardized next-generation rail corridor equipment pool. This Next Generation Corridor Equipment Pool Committee is comprised of representatives from Amtrak, the Federal Railroad Administration, and interested States.

The committee's Technical Subcommittee held its first meeting on April 22nd in Chicago. The Technical Subcommittee met with States, car-builders, and consultants to begin developing specifications for a standardized single-level car, bi-level car, and locomotive. Working groups were formed to address different portions of the specifications. The working groups have been conducting frequent web conferences and conference calls to progress their work, and are on target to deliver a bi-level intercity car specification by the end of July.

The Executive Committee held a meeting at AASHTO Headquarters in Washington, D.C. on May 26th to review the committee's progress and plans.

Railroad Rehabilitation and Improvement Financing (RRIF)

42. Please provide a table showing all outstanding RRIF loans.

RESPONSE:

RRIF loan agreements have been executed with the following railroads:

ORGANIZATION	YEAR	AMOUNT
Georgia & Florida Railways	2009	$8.1 million
Permian Basin Railways, Inc	2009	$64.4 million
Iowa Interstate Railroad	2008	$31.0 million
Nashville and Eastern Railroad	2007	$4.6 million
Columbia Basin Railroad	2007	$3.0 million
Great Western Railway	2007	$4.0 million
Virginia Railway Express	2007	$72.5 million
R.J. Corman Railway	2007	$59 million
Dakota, Minnesota & Eastern Railroad *	2007	$48 million
Iowa Northern Railroad	2006	$25.5 million
Wheeling & Lake Erie Railway	2006	$14 million

Iowa Interstate Railroad	2006	$9.35 million
Great Smoky Mountains Railroad	2005	$7.5 million
Riverport Railroad	2005	$5.5 million
The Montreal, Maine & Atlantic Railway	2005	$34 million
Tex-Mex Railroad	2005	$50 million
Iowa Interstate Railroad	2005	$32.7 million
Stillwater Central Railroad	2004	$4.6 million
Wheeling & Lake Erie Railway	2004	$25 million
Arkansas & Missouri Railroad	2003	$11 million
Nashville and Western Railroad	2003	$2.3 million
Dakota, Minnesota & Eastern Railroad *	2003	$233 million
Amtrak *	2002	$100 million
Mount Hood Railroad	2002	$2.07 million

* These loans have been repaid in full.

THUD Appropriations Hearing

March 17, 2010

Department of Transportation Strengthening Intermodal Connections & Improving Freight Mobility

Follow-Up Questions for

Department of Transportation

Representative Lucille Roybal-Allard

QUESTION 1: The Department of Transportation awarded $1.5 billion in TIGER grants in February 2010 (funded through the American Recovery and Reinvestment Act). One of the primary focuses of that grant program was to fund projects aimed at improving freight mobility.

Explain the decision-making process and how the Department brought together the different modal administrations to evaluate these projects.

ANSWER:

The decisions regarding TIGER Discretionary Grant awards were made on a competitive basis by measuring the contents of grant applications against the merit-based criteria specified in the program's June 17, 2009 Federal Register notice. These criteria focused on a projects' ability to:

- produce short-term economic stimulus;
- achieve long-term goals for the transportation system, including:
  - improving the condition and performance of our transportation assets;
  - promoting economic competitiveness;
  - enhancing livability;
  - increasing environmental sustainability; and
  - improving safety;
- promote partnerships and innovation.

The Department also took into account statutory requirements, including Congress' mandate to strive for an equitable geographic distribution of funds and an appropriate balance in addressing urban and rural needs.

The Department established an intermodal Evaluation Task Force, which included teams of technical and professional staff from the Federal Highway Administration, Federal Transit Administration, Federal

Railroad Administration, the Maritime Administration and the Office of the Secretary to review the applications. The intermodal evaluation teams completed initial reviews of each of the more than 1400 applications that the Department received. An Economic Analysis Team reviewed the economic analyses provided by the applicants. An Environmental Analysis Team reviewed the status of the projects' compliance with the National Environmental Policy Act (NEPA). A Control and Calibration Team worked to ensure the consistency and integrity of the evaluation process. And a senior-level Review Team with representatives from OST and the relevant modal administrations evaluated the projects that were highly rated by the evaluation teams and made recommendations for the Secretary's consideration.

QUESTION 2: When Congress passed the American Recovery and Reinvestment Act (ARRA) last year, it included language that made rail and port projects eligible for the formula funds to states normally described as "highway and bridge funds." This was because the source of the funds was not from highway user fees, but from general revenues. Many states have taken advantage of this flexibility to build rail projects that they might otherwise not be able to do.

Is FHWA tracking the rail projects that were funded through formula funding to the states? Please supply the Committee with that information.

ANSWER:

FHWA has developed an electronic reporting and tracking system for ARRA Highway Infrastructure Investment funded projects (ARRA Highway Formula Funds). This system provides information on each project funded under the program. However FHWA is not tracking rail investments as a separate category within the system. FHWA is, however, able to extract some useful basic information on rail projects from our tracking system. Below is a summary of that information.

- 53 Rail Track Improvement Projects (rail spurs, switches, sidings, track repairs, etc) in 16 States totaling $155 million - **these projects are not likely to be eligible for traditional Federal-aid highway funding**

- 6 Rail Bridge Projects (not over highways, but rather over bodies of water, etc) in 6 States totaling $5 million - **these projects are not likely to be eligible for traditional Federal-aid highway funding**

- 31 Grade Crossing Projects in 12 States totaling $41 million- these are likely eligible for traditional Federal-aid highway funding

- 25 Grade Separations in 10 States totaling $175 million - these are likely eligible for traditional Federal-aid highway funding

- 68 Highway Bridges over rail tracks in 23 states totaling $189 million - these are likely eligible for traditional Federal-aid highway funding

- 2 Rail Bridge Projects (over highways) in 2 States totaling $1 million - these are likely eligible for traditional Federal-aid highway funding

- 13 Station/Enhancement type projects in 10 States totaling $7 million - these are likely eligible for traditional Federal-aid highway funding

QUESTION 3: When the source of transportation funding is from the general fund, and not user fees, should the states have the option of spending their federal transportation dollars on more than just highways and bridges?

ANSWER:

In the surface transportation reauthorization process, the Administration plans to work with Congress to develop a surface transportation framework that will finance our Nation's surface transportation system in a manner that is consistent with principles of fiscal sustainability and responsibility, but also meets both near-term and long-term infrastructure needs.

QUESTION 4: Would that [cross-modal competition for funds in transportation decision-making] help our nation develop a more balanced transportation system with more options for both freight and passenger mobility?

ANSWER:

There is definitely a place for cross-modal competition for funds in transportation decision making. Our experience with the TIGER Grants under ARRA demonstrated that there are important needs for investment in roads, bridges, public transportation, ports, airports and rail. Investments in all modes of transportation can be complementary to those in other modes and provide more efficient transportation options to the American people. The President's FY 2011 budget includes the Infrastructure Fund, to be funded from the General Fund, to make grants and loans to high-value transportation projects across all modes of transportation.

QUESTION 5: Last year the Congress included a program in the Transportation/HUD Appropriations bill, entitled "National Infrastructure Investments" (NII), and funded it at $600 million to be administered by the Department of Transportation.

What progress has the Department made in drafting the project selection criteria for the NII and what were the lessons learned from administering the TIGER program that will be applied to the program?

ANSWER:

The FY 2010 Appropriations Act appropriated $600 million to be awarded by the Department of Transportation for the National Infrastructure Investments Discretionary Grant Program. This appropriation is similar, but not identical to the appropriation for the TIGER Discretionary Grant Program authorized and implemented pursuant to the Recovery Act. Because of the similarity in program structure and objectives, the Department is referring to these grants as TIGER II Discretionary Grants and intends to use similar factors, (Safety, Environmental Sustainability, Economic Competitiveness, Livability and State of Good Repair) when reviewing the long-term merits of projects submitted for funding.

The Department published interim guidance for the TIGER II Discretionary Grant process in the Federal Register on April 26, 2010, and a final Notice of Funding Availability was published on June 1st.

The Department has compiled lessons learned from administering the TIGER Discretionary Grant Program. The Department held a debrief for all interested parties at DOT Headquarters to go over the lessons learned from the TIGER Discretionary Grant Program. In addition, the Department hosted a Cost-Benefit Analysis Seminar to provide all interested parties the ability to come to the Department and learn how the Department will evaluate Cost-Benefit Analysis not only for TIGER II Discretionary Grants but for future transportation investments.

QUESTION 6: According to a recent New York Times article, 43% of our nation's imports come through the San Pedro Bay Port complex, which comprises the Ports of Los Angeles and Long Beach. The Department of Transportation recently named this port complex as the number one national trade gateway in the United States.

What consideration and priority will your Department give to such national trade gateways for freight related infrastructure projects in the administration of the NII program?

ANSWER:

The TIGER II Discretionary Grant Program will be administered in a fashion similar to the TIGER Discretionary Grant Program (TIGER). As with TIGER, projects selected for funding under the TIGER II Discretionary Grant program will be selected on a competitive basis by measuring the contents of grant applications against merit-based criteria to be published in the Federal Register, consistent with the program's statutory requirements.

All applications submitted, including those for freight related projects that are within identified national trade gateways like the San Pedro Bay Port complex, will be evaluated on a competitive basis to ensure that the projects are aligned with the published criteria. Under the TIGER Discretionary grant program, the Department awarded $124 million to port projects, $431 million to projects to improve rail, highway, and intermodal freight transportation (primarily movement of ocean containers and truck trailers), and $277 million to highway projects, many related to freight movement.

QUESTION 7: The Port of Los Angeles and the Port of Long Beach comprise the highest volume container port complex in the nation handling 43% of the containerized cargo traffic entering the U.S. At the same time jobs and economic activity are being generated by the Ports, there is increased traffic congestion and public health issues related to poor air quality that must be addressed.

Is the Department of Transportation partnering with other federal agencies such as U.S. EPA to address the economic and environmental challenges confronting our nation's ports such as the San Pedro Bay Port complex? If so, please describe these efforts. If not, explain why not.

ANSWER:

Perhaps the most serious impact of increased trade through the San Pedro Bay ports is air pollution. A study conducted in 2000 by the South Coast Air Quality Management District (SCAQMD) titled Multiple Air Toxics Exposure Study (MATES-II) identified the emissions from port-related sources as being of major concern for public health in the region. The EPA has designated the South Coast Air Basin region, where the San Pedro Bay Ports are located, as being in nonattainment of the National Ambient Air Quality Standards (NAAQS) for Ozone and Particulate Matter less than 2.5 microns (PM2.5).

The DOT works with the EPA and other Federal, State and local government agencies, as well as industry stakeholders, in several efforts to mitigate effects of freight movement on populations and the environment. The Southern California National Freight Gateway Collaboration (Collaboration) is a group of local, regional, state and federal agencies dedicated to address environmental and infrastructure challenges of freight movement by ships, trucks and trains within and through the region. The group is working to facilitate cooperation on critical goods movement issues in the Southern California National Freight in five counties extending from the Ports of Long Beach/Los Angeles to the border with Nevada and Arizona. Critical issues include existing and projected landside intermodal transportation system congestion and impact on cargo in the Ports, environmental and community impacts caused by goods movement.

DOT, through the Maritime Administration (MARAD), is the federal lead in the Southern California National Freight Gateway Cooperative Agreement (Agreement). The Agreement, concerned with the five counties, brings together federal, state and local agencies, as well as the San Pedro Bay ports and several local county transportation commissions, within the region. The group is working to formalize cooperative methods for the movement of goods in the area while improving environmental conditions and improving productivity in freight movement.

There is also an ongoing dialogue between ports, federal and state agencies, and other area stakeholders through the West Coast Corridor Coalition (Coalition). The Coalition's primary focus is to assist in developing common goals for West Coast states' transportation network needs on a system-wide level. It engages in West Coast system planning and coordinates policy issues while allowing individual states to program and invest at the state level. MARAD is engaged with the Coalition to actively pursue potential marine highway opportunities.

Congestion at marine terminal gates (terminal congestion), and on major highway corridors serving as access routes to the marine terminals results in increased pollution from idling port-related trucks. To address truck idling problems at marine terminal gates, the PierPASS OffPeak program was created by operators to encourage off-peak (night and weekend) gate operating hours at the ports, alleviate truck traffic congestion, and improve air quality in the region. The OffPeak program was launched at the San Pedro Bay ports in July of 2005. The program provides an incentive for cargo owners and their carriers to move cargo at night-time periods and on weekends on major highways around the Ports, alleviating congestion at truck gates at marine terminals), and reducing air quality impacts from high peak-period truck traffic volumes.

FHWA conducted a study of the PierPASS program and released a 2009 final report which concluded the program has exceeded expectations in terms of diverting truck traffic from day-to-night time periods and has been successful in mitigating truck traffic congestion within the terminal area by distributing truck traffic within the terminal over a larger time period (day and night time), and ensuring improved utilization of terminal capacity. Key industry stakeholders generally agree on the air quality benefits accruing from the PierPASS extended gate operations program at the ports, particularly resulting from reduced truck idling at terminal gates and within terminal areas.

QUESTION 8: In the FY 2011 federal budget request, the Obama Administration is seeking the authority to establish a new discretionary program entitled "The National Infrastructure Innovation and Finance Fund" (NIIFF).

How does the Department envision the NIIFF being implemented as it relates to port and freight infrastructure projects that have national significance?

ANSWER:

The President's budget for fiscal year 2011 proposes $4 billion for a new National Infrastructure Innovation and Finance Fund (I-Fund), which will invest in high-value projects of regional or national significance. The I-Fund would provide the needed flexibility to choose projects with demonstrable merit from around the country and provide a variety of financial products – grants, loans, or a combination – to best fit a project's needs—including the needs of port and freight infrastructure projects, which are not targeted by traditional Federal transportation programs.

The I-Fund would signal a shift in the Federal Government's model for transportation investment and would allow the Department to expand on current practices in the Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) and TIGER Discretionary Grant programs that encourage collaboration among, and co-investment by, non-Federal stakeholders, including States, municipalities, and private partners to ensure that significant national projects receive necessary funding.

Question 9: The Department is currently drafting authorizing legislation associated with implementation of the proposed NIIFF. What is the status of this draft authorizing legislation and what is the relationship between this draft legislation and the Administration's budget proposal?

ANSWER:

The Department continues to work on draft legislation for the I-Fund that achieves the principles outlined in the Administration's 2011 Budget proposal.

THURSDAY, MARCH 18, 2010.

MAINTAINING A SAFE & VIABLE AVIATION SYSTEM (INCLUDING THE FY 2011 BUDGET REQUEST FOR THE FAA)

WITNESSES

HON. J. RANDOLPH BABBITT, ADMINISTRATOR, FEDERAL AVIATION ADMINISTRATION

HENRY KRAKOWSKI, CHIEF OPERATING OFFICER (ATO), FAA

VICTORIA COX, VICE PRESIDENT FOR OPERATIONS PLANNING (ATO), FAA

JOHN HICKEY, DEPUTY ASSOCIATE ADMINISTRATOR FOR AVIATION SAFETY, FAA

NANCY LOBUE, DEPUTY ASSOCIATE ADMINISTRATOR FOR AVIATION POLICY, FAA

CHAIRMAN OLVER'S OPENING REMARKS

Mr. OLVER. The Subcommittee will come to order. I would like to welcome the FAA Administrator, Randy Babbitt to the Subcommittee. Mr. Babbitt, congratulations on surviving your first nine months on the job, and having made some significant progress in your efforts to reenergize the agency. It is a pleasure to have you before the Subcommittee to testify on FAA's Fiscal Year 2011 budget request and to give us an update on the status of the next generation air transportation system, NextGen. We hear a very great deal about that, and the more I know about it the more complex it becomes, and it is your job to both implement it and demystify it.

The FAA is requesting $16.5 billion in budgetary resources, an increase of $476 million above Fiscal Year 2010 enacted levels. While airline passenger levels have remained low the last few years, I believe the proposed budget recognizes that significant improvements to our aging infrastructure are needed to accommodate future passenger growth and improve the aviation industry's performance record.

First and foremost, I want to emphasize the need to remain committed to FAA's core safety mission. I am pleased to see that the budget request increases funding for aviation safety and proposes hiring 82 new positions in order to strengthen oversight of operations. However, the recent story regarding the traffic controller bringing children into the JFK tower underscores the need to remain vigilant when it comes to following safety protocol.

At the same time the FAA is making significant capital investments to modernize the aviation system and replace our outdated air traffic control system with a more advanced satellite based system. I look forward to discussing the budget request of $1.14 billion for the NextGen aviation system and being updated on the progress of implementing ADS–B in Houston. This multi-year, multi-billion-dollar initiative it clearly a complex management undertaking, but I believe it is vital to efficiently utilizing our airspace, reducing congestion, improving safety, and minimizing aviation's environmental imprint.

The key to any success with your agency's critical safety mission and implementation of the NextGen air traffic control system rests upon the efforts of a dedicated workforce. Every controller, inspector, supervisor, and senior leader must remain committed to achieving aviation safety and the efficiency goals that you and the Secretary have set. From the statements you have made publicly and those that you have made to me privately, it is clear that you believe every employee in the FAA has a role to play in safety oversight, in the development and deployment of new technologies, and assessing ongoing facility needs and in the careful stewardship of Federal resources.

Finally, I hope to discuss the development of renewable jet fuels. As you know, the aviation industry is responsible for three percent of our green house gas emissions. Additionally, fuel costs are one of the largest portions of airline operating costs at about 30 percent. Last year, this Subcommittee provided additional funding for accelerating the development and the certification of alternative jet fuels under the CLEEN program. I hope you can provide us with an update on this program and provide a timeline for developing a renewable fuel that meets the aviation industry's unique operating requirements.

Before I recognize our Ranking Member Tom Latham, I would like to acknowledge some of the key members of your leadership team who have joined you at the witness table who will be available for questions. Hank Krakowski. Hank Krakowski is your Chief Operating Officer, fellow pilot, and was previously a safety executive for United Airlines. Victoria Cox is a Senior Vice President for Operations Planning and a veteran of research and development programs at DOD and NASA. I think that suggests that you may be the firing line for NextGen.

John Hickey is the Deputy Associate Administrator for Aviation Safety and 20-year veteran of the FAA's Safety Division. And Nancy LoBue is a Deputy Assistant Administrator for Aviation Policy Planning and Environment—well, maybe you two women have that sort of between you—and has vast experience in the area of environmental review, airport financing, and government contracts. With that, I will turn to the Ranking Member for his comments. Tom.

RANKING MEMBER LATHAM'S OPENING REMARKS

Mr. LATHAM. Thank you, Mr. Chairman, and I want to welcome the panel here this morning and certainly Administrator Babbitt for the courtesy of coming by a couple times and we have had very, very good conversations and I have the greatest respect for you and what you are trying to accomplish, I really do.

Mr. BABBITT. Thank you.

Mr. LATHAM. The NextGen with all of its bells and whistles and public relations campaigning that has gone on over the past few years has really yet to make a noticeable impact as far as delays or congestion in our system. Considering we have spent billions of dollars on this effort over the past several years, I would say the return on investments to this point really is quite low, and we are coming up on some very critical years and NextGen and the development of this system.

Beyond looking at safety, efficiency, and cost savings that NextGen could potentially bring, it is important to keep this effort on time, on budget, and without constantly evolving requirements, not just because of the fiscal constraints that we have here in Congress, but because of our standing in the world as the most innovative and advanced aviation system I think that really is in jeopardy. Countries such as Australia, Canada, China, and our European friends are implementing various different stages of NextGen technologies without the bureaucratic kind of hand wringing that is occurring it appears within the FAA.

It is not acceptable to fall back on the excuse that our airspace is too complex or that we have too many unique issues. We need to move forward on technologies that will actually reduce delays and increase safety, and do so with I think a lot more urgency than what we have seen in the past several years. The RTCA report that was developed last year sends a very strong statement to the FAA regarding priorities and what should be done to bring NextGen benefits out of the planning offices and into the system.

The FAA's written response to these recommendations is a good road map for going forward to deliver the benefits in the near term, but unfortunately the track record of the FAA is in wholesale concurrence with the Inspector General, the GAO, the National Transportation Safety Board, or Congressional recommendations, and then doing the exact opposite is nothing at all is well documented, I think we all know what has happened, that the recommendations really have not been followed.

It is my hope that with your leadership the FAA can repair its damaged reputation, procurement failures, safety lapses, lax oversight, and cost overruns. It certainly will not be easy, but I think with your background and experience, I am very optimistic that you can do it. I really am, and that is why I appreciate the kind of job you have been doing and look forward to working with you in the future. And again, thank you for being here. I will yield back my time, Mr. Chairman.

Mr. OLVER. Thank you. Mr. Babbitt, your complete statement will be included in the record. Please make your summary comments somewhere in the five to six minutes. Since you are the only one making the statement, I am going to give a little leeway on that. There are important things to be done, as you see, and then we will move on to the questions.

MR. BABBITT'S OPENING REMARKS

Mr. BABBITT. All right, sir. Well, thank you very much, Chairman Olver, Congressman Latham, Members of the Committee. Thank you for inviting me and my team, and I appreciate the kind introduction that you gave the executive team that I brought here to perhaps provide additional insight and when we get into the questions. We are going to discuss the Fiscal Year 2011 budget with you today for the FAA, and this request supports many of the

FAA's vitally important safety initiatives as well as the transformation of our nation's aviation system into NextGen.

On the safety front, since the year 2001, there have been 93 million successful flights of U.S. commercial aircraft. Those aircraft safely carried 6.3 billion passengers. And while this record is truly remarkable, recent accidents remind us that there is always still work to do. We are focused on ways to improve safety through better accountability and a renewed dedication to professionalism within our organization and with the employee ranks, the airlines, and the people that we work with.

Last year's call to action and resulting initiatives have been extremely valuable in that regard. No serious aviation professional accepts anything less than demanding the highest standards to ensure safety. Looking forward, approximately 53 percent of our budget request for 2011 will be used to maintain and improve the agency's safety programs. Our proposed budget also supports moving forward more aggressively on NextGen, something both the government and industry embrace as being crucial to meeting future needs.

We are particularly grateful for the work of the RTCA NextGen Mid-term Implementation Task Force. That task force was composed of more than 300 members of all segments of the aviation community, and the Fiscal Year 2011 budget requests some $403 million across the NextGen portfolio to support the RTCA task force recommendations. We believe that it is clear why NextGen has such strong support, as I recently told a group of aviation leaders at our FAA Aviation Forecast Conference, NextGen is the trifecta of safety, efficiency, and the environment, and many of the NextGen projects that we will talk about actually address all three of those components at the same time.

For example, the roll out of the transformational Automatic Dependence Surveillance Broadcast, ADS–B, is already a reality. The FAA has deployed ADS–B ground infrastructure and is now providing operational capability across the Gulf of Mexico following successful introduction in Louisville. ADS–B will enhance safety, increase capacity, and reduce costs. Our work in data communications all but eliminates the potential for misunderstanding by providing direct communication from air traffic control that is then uploaded into the aircraft and simply can be accepted by the pilot. Fewer misunderstandings translate into improved safety.

Similarly, the NextGen's 4–D, or 4 dimension, weather cube would increase and enhance decision-making by giving pilots and controllers access to real time weather, and thus improving safety while also increasing efficiency and reducing aircraft emissions. I will say that is a far cry from the days when I was flying as a line pilot, that the information regarding weather was outdated as soon as I boarded the aircraft. The bottom line is this: NextGen enhances safety, reduces delays, adds capacity, and improves access while saving fuel and protecting our precious environment and our resources.

And for these reasons, the FAA has increased its budget request for NextGen related programs by 32 percent in Fiscal Year 2011. That is a total of $1.14 billion, or $275 million increase. While improved technology is essential as a component in meeting future aviation needs, people are in fact fundamental to making the system work and to keeping the flying public safe. Improving our employee engagement and our overall relationship with our employees is a priority of mine, and we have several initiatives underway.

I am very pleased to have today a new contract in place with our air traffic controllers, and I look forward to ushering in the future of aviation in full partnership with all of our employees. And finally, this budget supports our plan for hiring controllers and safety staff so that we have the right people in the right place at the right time. Mr. Chairman, I have been the FAA Administrator for less than a year, but I am constantly impressed by the dedication and the excellence of the workforce and their ongoing efforts to make our system safer. The Administration's budget supports both the important work that the agency is doing as well as the people who are doing it. That concludes my statement, and I and my entire team here would be happy to answer any questions that you might have. Thank you.

[The statement of Mr. Babbitt follows:]

STATEMENT OF
J. RANDOLPH BABBITT, ADMINISTRATOR
FEDERAL AVIATION ADMINISTRATION

BEFORE THE COMMITTEE ON APPROPRIATIONS, SUBCOMMITTEE ON TRANSPORTATION, HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES

MARCH 18, 2010

Good morning, Chairman Olver, Ranking Member Latham, and Members of the Subcommittee. Thank you for the opportunity to discuss the Administration's Fiscal Year (FY) 2011 budget request for the Federal Aviation Administration (FAA).

FY 2011 Budget

The FAA's mission is to provide the safest, most efficient aerospace system in the world. With aviation representing more than 5 percent of America's GDP, our mandate for safety and efficiency contributes to the nation's economic recovery.

Over the past several years, we have made significant advancements in the safety of the aviation system. Since 2001, there have been 93 million successful flights of U.S. commercial aircraft, safely carrying more than 6.3 billion passengers to domestic and international locations. The rates of commercial aviation fatalities and runway incursions continue to decline and the number of serious runway incursions dropped 50 percent last year. Recent aviation accidents, however, demonstrate that vigilance must be a watchword. To develop that needed vigilance, we must lead a cultural shift, imbuing the global aviation community with an increased sense of accountability and professionalism.

Regardless of the complexity of the issues at hand, this budget recognizes that system safety continues to be our number one priority. In the past five years, FAA has hired more than 7,300 air traffic controllers, ensuring the flexibility to meet the continuously changing traffic volumes and workload. We are expanding our aviation safety workforce as well. The FY 2011 request maintains our critical Aviation Safety inspector staff increases from FY 2007—2010, while further increasing overall Aviation Safety staffing by 82 positions in FY 2011.

Even with this progress, safety and efficiency still need to advance in tandem. New technology is the answer, and that advance will come through NextGen, our blueprint for modernization. We continue to move forward aggressively with NextGen. NextGen is needed to improve efficiency, create additional capacity, and provide enhancements to safety and environmental performance. NextGen is not a single piece of equipment or a program or a system that will instantly transform the air transportation system. NextGen is a multi-component and evolutionary process. Elements of it are already providing improvements for passengers and operators. When fully implemented, NextGen will enhance safety, reduce delays and provide benefits for the environment and the economy through reductions in carbon emissions, fuel consumption, and noise. The FY 2011 budget request provides a total of $1.14 billion in support of NextGen, a nearly 32 percent increase over the amount enacted in FY 2010.

This budget allows us to execute our plans for controller and safety staffing, research and development, and capital investments, further enhancing aviation safety while we implement the aviation system of the future. The budget also supports the recent contract settlement with our air traffic controllers. We are pleased to have a contract in place and look forward to ushering in the future of aviation in full partnership with all of our employees.

Operations

The FY 2011 request of $9.8 billion is an increase of $443 million (4.7 percent) above the FY 2010 enacted level. This will fund annualization of FY 2010 new hires, adjustments for inflation, and maintenance and operating costs of National Airspace System (NAS) systems and equipment. In addition to the air traffic controller contract, other major initiatives funded by the request include required navigation performance routes and procedures to support NextGen, increased safety staffing, service center facility expansion, enhanced Information System Security protection, implementation of environmental and energy technologies, and increased staffing to improve safety and hazardous materials compliance.

The Aviation Safety organization will maintain a highly trained and talented workforce as it transitions to a Safety Management System (SMS). The FY 2011 budget provides $19 million to annualize the cost of new safety staff added in FY 2010 and $14 million for 82 additional safety staff in FY 2011.

The budget includes a $25 million increase to support Performance-Based Navigation. Under this initiative, FAA will design and implement new high–altitude, performance-based routes between major metropolitan areas. These routes will provide greater en route efficiency and flexibility to the aircraft using them, and the proposed increase will shorten their deployment by two years. The funding will also be used to develop new Terminal procedures that simplify operations in congested and closely-located airports in major metropolitan areas, including Chicago, Washington, Baltimore, Atlanta, and Denver. These procedures and associated airspace redesigns will lead to greater efficiencies when arriving at or departing from area airports. With this funding, the time to complete these improvements will be accelerated to three-to-four years rather than the typical four-to-six years.

The NAS continues to grow in size and complexity, with an average of 2,162 new pieces of equipment procured and fielded each year. The budget request provides $28.5 million for newly-commissioned systems that must be maintained in a highly reliable condition to achieve their projected safety and capacity benefits. A major system that continues to transfer to Operations in FY 2011 is the Airport Surface Detection Equipment Model X (ASDE-X), a system that provides seamless multi-sensor airport surveillance with identification and conflict alerts to air traffic controllers.

The FY 2011 Operations request also reflects $22 million in cost savings realized by the Air Traffic Organization and an additional $8 million in administrative efficiencies achieved by the Aviation Safety organization.

<u>Facilities & Equipment</u>

The FY 2011 budget allows FAA to meet the challenge of both maintaining the capacity and safety of the current NAS while keeping our comprehensive modernization and transformation efforts on track. The request of $2.97 billion is an increase of $34 million (1.2 percent) above the FY 2010 enacted level. The F&E NextGen portfolio is $1.02 billion in FY 2011, a 30 percent increase above the FY 2010 enacted level. The remainder of our request – $1.95 billion – will invest in legacy areas, including aging infrastructure, power systems, information technology, navigational aids, and weather systems.

The American Recovery and Reinvestment Act (ARRA) provided additional resources for achieving increased NAS capacity, efficiencies and operational performance. Specific projects include improved navigation facilities and equipment, upgraded power systems, airport control towers, and facility construction. ARRA funds are providing 136 power systems upgrade projects at 100 locations, refurbishment of air route traffic control centers at 18 locations, replacement of three air traffic control towers and terminal radar approach control facilities and improvements to lighting, navigation, and landing equipment at 134 locations.

Research, Engineering, and Development (RE&D)

The FY 2011 request of $190 million continues our work in current research areas, including fire and safety research, environment and energy, propulsion and fuel systems, advanced materials research, and aging aircraft. In addition, the budget increases the RE&D NextGen portfolio to $77.5 million. This 7.6 percent increase over FY 2010 supports enhanced NextGen research and development efforts in the areas of air-ground integration, weather information for pilots, and environmental research for aircraft technologies and alternative fuels to improve aviation's environmental and energy performance.

Grants in Aid for Airports (AIP)

The FY 2011 request of $3.5 billion continues our focus on safety-related development projects, including runway safety area improvements, runway incursion reduction, aviation safety management, and improving infrastructure conditions. The request provides increases to fully implement Safety Management Systems (SMS) in the Office of Airports, initiate a program to collect data on over 14 thousand private airports, upgrade information technology, and enhance engineering support, financial management and oversight, and ISO auditing. The budget also provides $27.2 million for Airport Technology Research – an increase of $4.7 million over FY

2010 – to support enhanced safety and pavement research efforts, and $15 million for Airport Cooperative Research.

The American Recovery and Reinvestment Act provided resources to preserve and enhance safety, capacity and access while maximizing efficiency and operational performance. The FAA obligated 100 percent of the ARRA funds available for grants ahead of schedule. Work continues on many of the 360 projects at 334 airport locations nationwide. We are improving runways and taxiways while providing for terminal buildings and aircraft rescue and firefighting improvements at airports that serve millions of passengers every year. Our continued commitment to successfully implementing ARRA has helped earn FAA's place as a recognized leader in the Department of Transportation's efforts to bring Americans back to work.

The Airport and Airway Trust Fund

The Airport and Airway Trust Fund provides all of the funding for FAA's airport improvement, facilities and equipment, and research and development activities, as well as a share of FAA's operations. As of the end of the current fiscal year, we estimate that the Trust Fund will have a cash balance of approximately $10.4 billion, of which $1.4 billion remains uncommitted. The Vision 100 formula for calculating Trust Fund appropriations safeguards the future solvency of the Trust Fund by ensuring that expenditures will not exceed projected revenue. By using the Vision 100 formula, the budget projects Trust Fund balances will remain stable for FY 2011.

Reauthorization

We appreciate the efforts of the House in passing its FAA Reauthorization Bill last May. Looking ahead, we are encouraged by the Senate's efforts to pass a reauthorization proposal soon. As you already know, the current extension (the eleventh such extension) expires at the end of this month. The budgetary and operational uncertainties of repeated extensions make running the FAA much more difficult, which makes the passage of a multi-year bill vital. Most notably, delaying a multi-year reauthorization has produced several hurdles for managing and funding the Airport Improvement Program. We look forward to working with Congress to enact FAA reauthorization.

Increased Safety

Safety remains the vital core of the FAA mission. The flying public must have the highest confidence that the airplanes they board are properly designed and maintained. They must know that their pilots are qualified, trained for their mission, and fit for duty. Approximately 53 percent of the agency's FY 2011 budget will be used to maintain and improve the agency's safety programs. Our efforts to improve operations have contributed to a safer aviation environment; our goal is to continue to enhance safety.

Safety starts with professionalism. The FAA hosted a "Call to Action" in partnership with the industry to actively address concerns raised by the Colgan Air Flight 3407 tragedy. We identified immediate steps to strengthen and improve pilot hiring, training, and testing practices at airlines that provide regional service, as well as at our major air carriers. Participants agreed on best practices for pilot record checks and development of pilot mentoring programs. FAA and industry representatives are meeting throughout the country to ensure that every carrier and pilot union adheres to thc highest professional standards, commits to the actions we are taking, and helps identify additional best practices. FAA inspectors are assisting in the implementation of these actions and evaluating their effectiveness. The Call to Action has proven helpful in emphasizing the critical importance of professionalism in aviation safety.

The FAA is working aggressively to publish a Notice of Proposed Rulemaking which would update current regulations on pilot flight duty time. We issued a rulemaking proposal in January to enhance training programs by requiring the use of simulation devices for pilots. We also published an Advanced Notice of Proposed Rulemaking with some options for modifications to pilot qualification requirements, an aggressive step towards reexamining pilot qualifications to ensure commercial pilots have the appropriate operational experience and are trained for the mission they are flying.

Professionalism is not something we can regulate, but it is something to which we continue to encourage and educate pilots and flight crews to improve and enhance. Labor organizations are answering our Call to Action and support the establishment of professional standards and ethics committees, a code of ethics, and safety risk management meetings between FAA and major and regional air carriers. We are working in full cooperation with the industry to raise professional standards and improve cockpit discipline. The lessons learned from the Colgan tragedy will result in increased vigilance, more stringent safety standards, and preventative measures that will safeguard the public.

In support of our core mission, our request supports the expansion of our aviation safety workforce. The FY 2011 request maintains our Aviation Safety inspector and engineer staff increases from previous years, while further increasing overall Aviation Safety staffing by 82 positions in FY 2011. Forty-two of these new positions enable FAA to review additional applications for aeronautical products and parts as well as increase air traffic oversight evaluations. The remaining forty positions will provide for standards development and certification and operational approvals in support of our NextGen efforts.

Reduced Congestion

Even with the downturn in aviation activity nationwide, delays can still be a major problem. NextGen will continue to address today's constraints and comprehensively modernize and transform the air transportation system. The FY 2011 budget requests $1.14 billion to support the NextGen portfolio, a 32 percent increase over the enacted FY 2010 level. This includes over $1.02 billion in the F&E program, $77 million in RE&D, and $43 million in the Operations account. Increasing FAA's NextGen investments by $275 million above the FY 2010 enacted level represents a critical investment, allowing FAA to meet future demand as our nation's economy rebounds.

NextGen leverages innovative twenty-first century technological solutions, procedures, standards, and roles and responsibilities for pilots and controllers. Given the vast scope of our mission, significant investments are necessary now if we are to achieve near-term deployment of mature technologies, accelerate moderately mature concepts for operational viability, and perform research to better define long-term capabilities. Among other capabilities, NextGen will enable aircraft to safely and efficiently fly more closely together on more direct routes, reducing delays.

We are currently preparing an updated, detailed breakdown of the near- to mid-term NextGen benefits. This analysis will soon be completed, and will be updated annually.

NextGen is a commitment to wise investment of tax dollars and to America's continued global aviation leadership. It is a commitment to the American people that we are investing now to meet tomorrow's demands. NextGen enhances safety, reduces delays, adds capacity and improves access while saving fuel and protecting our precious environment and resources. Any of these individually represent a solid business case in support of NextGen. Combined, they are a compelling and necessary investment in our nation's future.

RTCA Task Force Recommendations

Realizing the promise of NextGen technology is intrinsically linked to the speed at which operators can equip their aircraft, it is imperative that FAA work in close partnership with the industry on NextGen deployment. To this end, FAA established a NextGen Implementation Task Force with RTCA, an industry association that serves as a federal advisory committee.

FAA asked the RTCA to analyze NextGen mid-term implementation. The RTCA NextGen Mid-Term Implementation Task Force, comprised of 300 members of the aviation community, including representatives from commercial airlines, general aviation, the military, manufacturers, and airports, worked for seven months to produce a slate of recommendations published in a final report issued September 9, 2009.

The RTCA Task Force achieved an unprecedented consensus among NAS users in setting near term goals to advance NextGen. The recommendations add significant value to FAA's overall NextGen strategy and have been incorporated in our NextGen Implementation Plan that summarizes the agency's vision to achieve the 2018 operational capabilities. We have carefully weighed implications of funding allocation, scheduling constraints, investment decisions, standards, training and other critical work that will be required by FAA and the industry as well as the interdependencies that exist between systems in reevaluating NextGen implementation. The FAA will soon initiate work with the aviation community to determine which metrics to use and/or develop to track NextGen performance from the stakeholder, programmatic and operational perspectives.

The FY 2011 budget requests $403 million across the NextGen portfolio to support RTCA Task Force recommendations in the areas of surface tactical flows, runway access, metroplex, cruise, NAS access, integration ATM, and data communications. These funds will be directed towards delivering projects that will yield immediate and tangible benefits, such as developing tailored oceanic routes to achieve efficient arrival procedures and fuel savings at major coastal airports; and implementing high altitude, performance-based routes into the most congested domestic airspace areas.

The Task Force report included several recommendations about continuing to work together. In particular, the report called for FAA to establish institutional mechanisms to facilitate continued transparency and collaboration in the planning, implementation and post-execution assessment of future activities. As FAA moves forward on NextGen implementation, we will continue to evaluate and adjust our strategies, priorities and deployment timelines in full collaboration with aviation stakeholders.

Implementing NextGen

I'm very proud to report that the future of aviation is already happening. These exciting new technologies and procedures are a reality, yielding immediate and significant benefits. Automatic Dependent Surveillance Broadcast (ADS-B) is a centerpiece component of NextGen. Air traffic control will evolve from a radar-based system to a sophisticated satellite-derived aircraft location data system. ADS-B provides surveillance, like radar, but offers more precision and additional services, such as weather and traffic information for pilots. ADS-B deployment will allow reduced separation, resulting in increased capacity and decreased costs.

The rollout of this transformational ADS-B technology is already a reality. The FAA has deployed ADS-B ground infrastructure and is now providing operating capability over the Gulf of Mexico. Controllers at the Houston Air Route Traffic Control Center are now managing aircraft flying over the Gulf of Mexico with this safer, more precise and efficient technology. Houston is the latest facility to utilize ADS-B, which gives pilots exacting information on location, as well as possible weather problems. Before ADS-B was implemented in the Gulf, controllers were required to maintain up to a 120- mile separation between aircraft. The new technology reduces that distance to only five nautical miles. Thanks to ADS-B, FAA can now precisely monitor thousands of daily helicopter flights that ferry workers to and from nearly 3,700 oil platforms, dramatically enhancing safety for thousands of Americans every single day. The Gulf of Mexico is the second major installation of ADS-B equipment in the U.S., following its successful introduction at Louisville International Airport. In 2010, ADS-B is expected to become operational at Philadelphia International Airport and in Juneau, Alaska, with full nationwide availability by 2013. These are only a few examples of how FAA is successfully laying the groundwork for the dramatic transformation of aviation as we know it.

We will be making other great strides this year, including a target to publish the final ADS-B-Out rule. Additionally, we expect to complete the In Service Decision (ISD) for Critical ADS-B Services. Achievement of these major milestones represents a necessary step phasing in national ADS-B deployment to ensure our successful implementation by 2013.

Other NextGen funded improvements are making significant advances in FY 2010. The Airspace Information Management (AIM) Special Use Airspace Automated Data Exchange for the System Wide Information Management program will improve capacity and efficiency of the NAS by increasing civilian access to current Special Use Airspace status. The primary benefit to NAS users is improved efficiency: specifically, to increase the capacity and operational efficiency of airspace operations by improving airspace management.

The FAA is preparing to establish stakeholder "tiger teams" to optimize Performance-based Navigation (PBN) procedures at busy metroplexes prioritized by need, cost benefit, budget and other considerations. This effort will result in expanded implementation of Area Navigation (RNAV) terminal procedures, which allow equipped aircraft to fly more direct and precise paths. This cuts down on flight time and fuel use, as well as localizer performance with vertical guidance (LPV) procedures, which can increase access to airports, especially in low visibility conditions. This means measurably increased nationwide efficiency and reduced delays while we maximize our use of limited airspace in congested environments.

In response to an RTCA Task Force recommendation, FAA is publishing 300 new localizer performance vertical (LPV) approaches emphasizing highest value areas. This will build upon the solid foundation of over 1,900 LPV approaches that FAA has already deployed at over 1,000 different airports across the country. We are developing policies for data rights and data release in support of surface data sharing goals. In addition, we will be conducting Surface Management demonstrations at Memphis and Orlando to demonstrate collaborative departure queue management.

The FY 2011 budget request supports the continuation of large airspace redesign activities in key metropolitan areas, including New York, New Jersey, and Philadelphia. Redesign efforts in southern Nevada will provide short-term operational efficiencies to the existing airport while maintaining the ability to accommodate a potential future new airport. Additionally, an integrated airspace and performance based navigation activity in Denver will be continued in FY2011, optimizing the route structure in and out of the Denver metropolitan area. The request will also continue the redesign of airspace serving the Chicago metropolitan area; supporting two key airports and accommodating future airfield changes at O'Hare International Airport.

The FY 2011 budget request also supports terminal airspace redesign efforts which are essential in the delivery of increased capacity associated with the implementation of new runways. Terminal airspace optimization (mid-term) and redesign (long-term) projects are on-going across the United States. These efforts are underway for all major metropolitan areas and congested terminal areas servicing key airports, focusing on the airspace associated with the 35 largest Operational Evolution Partnership (OEP) airports. The major metropolitan airports account for approximately 75 percent of all United States passenger enplanements, and much of the delay to air traffic can be traced to inadequate throughput at some of these airports. When completed, the FY 2011 projects will reduce complexity, balance controller workload and reduce en-route flow constraints.

In FY 2010, FAA is increasing capacity at these 35 airports by directing investments toward runway projects (new runways, runway extensions, and airfield reconfigurations) as the most effective method of increasing throughput and reducing delays. We opened a new runway at Charlotte International Airport, while completing taxiway improvements at both Boston-Logan and JFK International Airports that will enhance capacity. The FAA expects to issue approximately 2,200 grants to airport sponsors, increasing the safety, security and capacity of the civil aerospace system in an environmentally sound manner.

Environmental Stewardship

Protecting the environment and addressing the energy challenge are critical to the United States' air transportation viability and continued global leadership. The overarching environmental goal for NextGen is environmental protection that allows sustained aviation growth. Despite the downturn in aviation activity experienced in 2008 – 2009, environmental and energy pressures on the national and international aviation system remain and will continue to increase as growth in aviation activity returns. The primary environmental and energy issues that will significantly influence the future capacity and flexibility of the NAS are aircraft noise, air quality, global climate effects, energy consumption, and water quality.

NextGen further affords us opportunities to better manage the environmental impacts of aircraft noise and emissions while addressing concerns about energy usage and climate. Increased efficiency with NextGen operations will result in reduced fuel consumption, lower carbon emissions, and less noise. NextGen investments in engine and airframe design and alternative fuels will accelerate changes to make aviation friendlier to our precious environment.

The FAA remains committed to managing aviation's inevitable growth while taking actions to reduce aircraft noise, emissions, climate impacts, and energy demands. FAA funded work under the Aviation Climate Change Research Initiative will continue in FY 2011 to better characterize the aviation contribution to climate change and inform mitigation options. Through aggressive efforts under the Continuous Lower Energy, Emissions and Noise (CLEEN) initiative, FAA will develop and mature clean and quiet technologies and advance alternative fuels. In FY 2011, we plan to conduct early demonstrations of two to four promising CLEEN technologies and alternative fuels.

FAA helped form, and participates fully, in the Commercial Aviation Alternative Fuel Initiative (CAAFI). Under CAAFI's leadership, aviation is the first transportation sector to have an industry commitment to convert to alternative fuels. CAAFI is moving forward to qualify and approve new alternative aviation fuels for operational use. Last year, CAAFI achieved a landmark event with the approval of a new fuel specification that allows alternative fuels to be deployed as jet fuels. A number of key tests to support approval of these new fuels will occur in 2011. These efforts build on already promising results, and move our agency closer to its environmental and energy performance goals for NextGen.

Additionally, FAA is working to achieve absolute reduction in community exposure to significant aircraft noise compared to today, notwithstanding aviation growth. This will be accomplished through additional reductions in aircraft source noise supported with ongoing noise compatibility programs, which include the purchase and relocation of noise impacted homes, the soundproofing of schools and hospitals, noise abatement flight procedures including Optimized Descent Profile, and compatible land use efforts. FY 2011 investments in noise research and technology development will make significant and lasting contributions to our noise mitigation.

Global Connectivity

The FY 2011 budget request supports an expanded global presence, increased training and technical assistance to foreign aviation authorities, and enhanced focus on foreign made aircraft certification projects. In addition, the FAA's international presence will be increased by establishing an Aviation Cooperation Program in Latin America, using the FAA's successful China and India models.

Through strategic activities in FY 2011, FAA will support safety programs and build mutually beneficial partnerships with civil aviation organizations in the Middle East, China, India and Latin America. The FAA will increase efforts to create and expand government-industry partnerships and strengthen the capabilities of regional aviation authorities and organizations through technical assistance and training. The agency will also continue to build and maintain bilateral and multilateral relationships, support FAA senior leadership in achieving United States objectives, and negotiate agreements that improve safety and efficiency worldwide.

The FAA provides direct or indirect assistance to over 100 countries around the world to help them improve their aviation systems. The United States is the largest contributor of technical and financial support to the International Civil Aviation Organization (ICAO), which represents 189 of the world's civil aviation authorities. While the worldwide air accident rate has improved over the last ten years, the rate is higher in parts of the world where major growth is forecast to occur over the next century. In this environment, FAA will work with our international partners to be able to ensure that the flying public is able to travel as safely and efficiently abroad as at home.

We have undertaken efforts to establish bilateral agreements with aviation authorities that will help to promote NextGen technologies and procedures. The FY 2011 budget will help us to continue those efforts, with a target of implementing these agreements to all regions of the world. In addition, we will focus on ensuring that the Standards and Recommended Practices for NextGen and other future air transportation systems remain a priority at ICAO.

The FAA additionally plays a lead role in developing environmental standards and guidance at ICAO. Within the ICAO context, FAA is working over the next several years to develop a CO_2 emissions standard for aircraft, in partnership with the Environmental Protection Agency. We are also leading U.S. efforts at ICAO to develop a global sectoral approach to address the climate change contribution of international aviation, consistent with our NextGen vision.

The FAA is leading the world into the future of aviation. We continue to work in full global partnership with our counterparts in China, Japan, Canada, Mexico, Europe, Australia, and New Zealand to develop new strategies and to standardize new operational procedures. We are cooperating with the international community to ensure that our systems work seamlessly, and that NextGen benefits will not end at America's borders.

Security, Preparedness and Response

The FAA continues to ensure and promote aviation safety in support of national security and the national aerospace system. The FY 2011 budget request provides resources for critical infrastructure protection, emergency operations, contingency planning, and the safe transportation of hazardous materials in air commerce. In addition, FAA ensures that critical information systems, networks, and administrative systems are protected from cyber-terrorism and malicious activities by hackers and other unauthorized personnel.

Aviation operations occur domestically and overseas twenty-four hours a day, and FAA must be able to respond to events in the air domain around the clock. The Operations budget request includes an increase in the Office of Security and Hazardous Materials for additional staffing that will provide on-site, immediate, decision quality intelligence information to the FAA Administrator and Lines of Business outside of normal duty hours and, most notably, during a crisis or developing aviation security incident. The increased staffing will also help FAA meet requirements for personnel security investigations and reinvestigations of new hires and existing staff as well as enhance safety and compliance by all parties involved in transporting hazardous materials onboard passenger and cargo aircraft.

This budget serves to increase the reliability, availability, and integrity of the NAS, provide mission support and administrative information, and address other FAA information systems requirements. The budget request supports activities to remediate moderate vulnerabilities identified for FAA information systems that support Human Resources, Finance, Security/Safety, and Air Traffic services. In the last three to five years, FAA has focused on its high risk vulnerabilities. Beginning in 2011 and continuing into 2014, the focus is on remediating the moderate vulnerabilities. The request will cover contracts that will conduct information system assessments, certifications, recertifications, and risk mitigation activities. The funding will allow FAA to handle risks to its information systems sooner, which will save out-year dollars and prevent higher and more costly system vulnerabilities and remediations.

Organizational Excellence

The FY 2011 budget request ensures the success of FAA's mission through stronger leadership, a better trained workforce, enhanced cost control measures, and improved decision-making based on reliable data. Working with employees and stakeholders, FAA strives to invest in high-performing programs and services. At the same time, FAA must diligently evaluate programs and terminate those that become redundant or ineffective. Likewise, the agency must minimize costs and use resources wisely while maintaining its focus on stakeholder requirements and aligning its products and services to meet industry needs.

In additional to increases in the Aviation Safety workforce, FAA is taking steps to place the right number of controllers in the right place at the right time to maximize the safety and efficiency of the NAS. In the next decade, FAA will continue to hire sufficient numbers to replace retiring controllers, and the FY 2011 budget request supports FAA's hiring and training plans.

The FAA is committed to improving employee engagement and leadership development across the entire workforce. Using technological advances and personal interaction such as brown bag lunches and town hall meetings, FAA is soliciting employee ideas for improving the agency. Another focus is on improving our employee orientation process to make sure that new employees are supported and integrated into the FAA. In addition, on-going employee education efforts are being improved, including on-line and classroom training. The FAA is also committed to smart succession planning, and is investing in leadership training, which includes increasing the frequency of our Senior Leadership Development Program.

The FAA strives to invest in high-performing programs and services that increase efficiencies. The agency is implementing its Real Property Asset Management Plan to ensure timely disposition of assets is measured by the number of days to process inactive assets.

The FAA has operated a cost control and cost reduction program since 2005. Cost efficiencies have resulted from initiatives like strategic sourcing, consolidation of functions, and a reduction of contractor and overhead staff. I am happy to report that savings have averaged more than $89 million per year over the last five years. For FY 2010, $67 million in savings and cost avoidance activities are being implemented.

The Organizational Excellence funding directly supports DOT's Major Acquisition measures, as well as DOT's performance measures for Major Federally Funded Infrastructure projects. The Government Accountability Office removed FAA's air traffic control modernization program from the High Risk List because of the agency's progress over the last several years in keeping programs within budget, on schedule, and for meeting its performance measures and program commitments. The FY 2011 budget request supports continued efforts to manage our acquisitions responsibly so we deliver programs on time and on budget.

Conclusion

The FAA is proud to demonstrate a consistent track record of protecting the safety of the flying American public. Our successes in aviation safety continue to set a global standard of American leadership that is not only acknowledged, but also emulated throughout the world. The FAA continues to address concerns over capacity and safety with increased vigilance and professionalism.

The FY 2011 budget request reflects our commitment to the implementation and deployment of innovative NextGen solutions. The application of these critical twenty-first century technologies represents a pivotal shift that will transform aviation. NextGen will yield immediate results for a safer America while maximizing efficiencies to meet future demands. NextGen will ultimately reduce taxpayer and industry costs while safeguarding our world's precious environment and resources. We are working in cooperation with industry to achieve a shared vision, leveraging powerful technologies and setting new standards for the future of global aviation.

We understand that these times demand cautious and well-considered fiscal policy. The FAA is grateful that Congress recognizes our mission as a national priority.

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NEXTGEN IMPLEMENTATION

Mr. OLVER. Thank you, Mr. Babbitt. I thought I had a quite clear set of questions that I might ask, but during the course of what you said a whole bunch of new things struck me as remarkable. I view this whole NextGen situation as a kind of a multi-layered matrix of change with all of those interrelationships being pretty complex. And so I guess I am going to delve into that for a bit of time in my first round here. Given that we have a relatively small group of people here at the moment—there may be a good many others coming in—we will have several rounds, I think, in the time that is allotted, so we can move on.

When the Secretary was here earlier this year, if I remember correctly, I would have to go back to look at the actual record, I think I laid before him the challenge that it seemed to me that we ought to bring NextGen into place within a six- to ten-year period rather than—we have been already talking about it for some years, all the three years that I have chaired this Committee and before, and as my Ranking Member has said, things have been done, but it is hard to see exactly what the cumulative result of it is yet, and that is partly because it is so complex and comprehensive.

And when I said that, he instantly replied, "I agree." I think that is in the record, so I look at what is going on here and am willing to appropriate the money as long as it is possible with the approval of the rest of the Subcommittee the appropriation necessary to accomplish that if we can figure out how to do it in an orderly manner. So I just wanted to let you know that is where I think we ought to be going, because the benefits and the needs are pretty great.

The GAO found that the early implementation efforts had been hampered by some unclear roles and responsibilities across Federal agencies as well as within the FAA. Do you see real progress in defining those roles and responsibilities in the various offices here in the period of time that you have been here? And, well, let me let you answer that.

Mr. BABBITT. Sure. I think we had made significant progress in defining that, and I want to applaud some of the efforts that were made by the RTCA task force. I think that very clearly helped us prioritize the order in which we take the various initiatives. And if I could step aside for one second, I think your description of NextGen is very accurate. NextGen is a complex series of programs, it is not a box somewhere that I just get to turn on when we are all ready. It involves very complicated series of interrelated initiatives that come together, not unlike a symphony, to make the full robust NextGen.

And we have put money in. I would attribute some of that money, not unlike building a house, we spent money with the architect and time, we spent money pouring the foundation. To the casual observer, if you went to the building site you would say, "Well, I do not see anything yet but a lot of money has been invested." I think we are at the point now, I am very optimistic we are going to see the benefits of that time, that architectural design of this system.

And I think now you are going to see things coming to reality which we can talk about, such as NextGen in the Gulf of Mexico and Louisville and places that we are going to roll out in complex environments, creating additional assurance, I think, for everyone. But when all of that is said, I think the pathway is much clearer now, and I think we can talk, as you would like whether on the air traffic control side, the NextGen implementation side, on specifics as you would like.

Mr. OLVER. Is RTCA's Task Force 5 program consistent with this concept of maybe bringing this completely on within a ten-year period? Or what have they laid out?

Mr. BABBITT. Well, I think perhaps if we took a high altitude view of what the RTCA was tasked to do and did very well—remembering that they had airlines, airports, manufacturers, both component and aircraft, pilots, controllers, everybody was involved—and what they were tasked to do was to take all of the initiatives that need to come about in the implementation of NextGen and say, "Well, in terms of priority do we get a bigger bang for the dollar if we were to implement this component ahead of that component?" They helped us order the structure and the rate at which we put various components in. For example RNP navigation offers us a big benefit, more than some other opportunities, and so they suggested we put that first.

Mr. OLVER. I will get a chance to ask them later this afternoon, but that was an adroit answer.

Mr. BABBITT. Okay.

Mr. OLVER. Mr. Latham.

EN ROUTE MODERNIZATION PROGRAM (ERAM)

Mr. LATHAM. Thank you, Mr. Chairman. The En-route Modernization Program, or ERAM I guess the acronym—we need more acronyms around here actually. But I am really concerned about the progress that we see in that, and disappointed in the program. It is about six months behind schedule. I think we spent a couple billion dollars already on that, and I do not know how the latest schedule to have every site completed by December of 2010 is realistic at this point. You are six months behind in Salt Lake City, the money has been expended, it has not been tested yet. And then to have the 24 other sites supposedly up and operational by December, is it reasonable to think that that is going to happen, that all the sites are going to be up by this December?

Mr. BABBITT. Well, clearly we have had some implementation issues. We are also talking about one of the biggest air traffic transformations, how we shift away, and some of the complexities, candidly, were bigger obstacles, they have proven to be bigger obstacles than we perhaps forecast. What I would like to do, if you would not mind, Hank Krakowski has a fair amount of expertise in this area. And, Hank, would you like to?

Mr. KRAKOWSKI. Good morning, Congressman. As Randy said, this is probably one of our largest-scale modernization programs. It is actually fundamental to making NextGen happen so we need to do it right. Not surprisingly—first of all, let us talk about the setup. We decided to do it in Salt Lake first. This is a low traffic area, with not a lot of complex airspace, so we could test drive it correctly and work the bugs out of the program.

We had a good concept and have a good concept going in with ERAM and we are very confident. It is up and running in Salt Lake as we speak, and it has been, in our view, safely stable since we turned it on this last weekend. Since we did start to implement ERAM in Salt Lake we have had a couple of hiccups where we have had to take the system down to correct software issues and interface issues. The interface issue is probably the one that is most critical because what we learn in Salt Lake and do there is going to be transferrable to all the other facilities.

This is the first place where we actually put it in a facility, turned it on, the interface with the old Host computer system which existed and the other adjoining airspace systems for Seattle Center, Denver Center, and some of the local TRACONS as well. And that is where most of the problem has been, quite frankly. And, not surprisingly, because you have not been able to actually live test it with these interfaces, you are going to have some glitches.

I can assure you, and I talked to Lockheed Martin this morning, in our opinion no safety issues have come up during this. We have had some increased workload issues, but we did it, we are doing it at midnight typically, turning it on, bringing it up slowly. We have extra staff on board in the facility in case we have to fall back to the Host system, and we have done that a few times, and we have successfully fallen back to the Host system as well. So this is iterative. It is the first of 21 of these that we are doing. We do not want to turn it on—and the schedule, while it is important to us, the schedule is not going to drive us to do anything to deploy this before the cake is baked.

Mr. LATHAM. And I think that is the concern that we may have, we do not want to see any system that is not safe, and just the idea of meeting a deadline, although it is, what, you are about six months behind at Salt Lake City?

Mr. KRAKOWSKI. About five to six right now, yes.

Mr. LATHAM. And originally, you are going to have six computer programs or software builds, now you have got 18 or something. So how about the in-service decision, I mean where are you at that?

Mr. KRAKOWSKI. Well, we were hoping to have it last December. We are kind of looking toward May right now if the current progress with the ERAM program proceeds. We have an aggressive schedule to try to finish it out by the end of the year. It is at risk. I will be up front with that, but hopefully we have got a shot at it, we still think, as long as we make the progress we are continuing to make.

Mr. LATHAM. Okay. I am about out of time. I will start another subject here, Mr. Chairman. So I yield back.

Mr. OLVER. Thank you. Mr. Rodriguez.

NEXTGEN FOR RURAL AIRPORTS

Mr. RODRIGUEZ. Thank you very much for being here. I represent a district that is both urban and rural, probably the most rural in America. And so I have a lot of small airports, and I was just wanting to get your perspective in terms of the future as it deals with rural communities. I also have San Antonio, the seventh largest city in the nation, yet we do not have any direct flights, and it is a major problem, we have to go through the major hubs. And so and I do represent west Texas, you know. And so I wanted to get your perspective in terms of the current budget in addressing the needs of rural airports in terms of our future.

Mr. BABBITT. Well, first let me make an observation regarding NextGen in the rural environment. I think a lot of people have focused that NextGen is just going to be a solution for our large hub airports, and clearly it does provide a wonderful solution, but I constantly remind people that there is a cascade of wonderful benefits that fall from all of the NextGen programs that will benefit rural airports. For example, we use criteria when we want to make an allocation to provide navigational facilities, and an airport has to have some level of traffic in order to justify certain components, for example an Instrument Landing System or a precision approach system of some type.

With NextGen, all we have to do is design the approach, we do not have to put any facilities on the ground. All the aircraft are equipped to use these approaches, so it does not matter if 20 flights a day or 200 flights or 2,000 flights a day go to an airport, the cost of the approach is the same and we have nothing to maintain. So I think that is going to be a big benefit to a lot of general aviation and rural airports.

Also, from the safety component, even providing simply a horizontal and vertical guidance to rural airports for VFR operations, make sure you are landing at the right airport. We still have pilots that, in visual conditions, land at the wrong airport because there was no navigational facility to help them find it. And so giving them good vertical and horizontal guidance to airports is another benefit that I think will help us a lot in that world.

MINORITY HIRING/STAFFING PLAN

Mr. RODRIGUEZ. Let me ask you, one of my concerns, you have hired some 7,300 new air traffic controllers the last five years, and I had some real concerns in terms of the number of women that you have in that category, which is very nil, minorities in that category, and so we have moved also to create a two-year program in San Antonio, on our own, and if you do not have the figures now, in terms of the 7,300 that were hired, do we know where we stand in terms of minority hiring for air controllers?

Mr. BABBITT. We can.

[The information follows:]

FAA'S ANNUAL WORKFORCE DIVERSITY REPORT—UPDATE ON APRIL 5, 2010

The Workforce Diversity Report has been drafted and is currently in the Executive Coordination and Approval process with the FAA Administrator, DOT, and OMB. We plan to deliver that document as soon as that process is complete.

Mr. RODRIGUEZ. Could you get a report on that?

Mr. BABBITT. Yes, sir, we can. We staff according to traffic forecasts and attrition and so forth, and we had unprecedented attrition. The last agreement with the controllers, not the one we have now, but the previous agreement, there was a fair amount of labor tension, which lead to a lot of retirements, an exceedingly high number of retirements. So we were forced to hire a lot of controllers.

Mr. RODRIGUEZ. I understand that, and you had a disproportional number and a lack of representation in the minority and the female category, and I hope, that we have improved on that.

Mr. BABBITT. We have, yes.

CYBER SECURITY

Mr. RODRIGUEZ. Thirdly, let me ask you, as it deals with the NextGen and as we move on that, what are we doing from a cyber perspective, since we are moving more into computers and those kind of things, to protect, and how much is it in the budget?

Mr. BABBITT. We have a significant amount. We concern ourselves with cyber security in two areas, our internal communications within the FAA, and then the system itself. I think I might let Vicki speak to the cyber-security aspect of maintaining a very secure environment, this has a lot of negative potential for us if not done right. Vicki?

Ms. COX. So we are developing a security architecture that will encompass all of the NextGen systems and ensure that as we go to a broad access, which certainly helps us run the system more efficiently with an Internet-like capability for accessing information, that at the same time is a very secure system. And the costs for that are actually built into the programs going forward, and overlaid over that will be our overarching monitoring and tracking of the overarching security architecture that we are putting in place. So certainly this will not be an afterthought, this will be an aforethought as we go forward.

Mr. RODRIGUEZ. Have you all done any exercises whatsoever to check your system?

Ms. COX. As we put the systems in place we certainly will do that. ADS–B carries its own security architecture as part of the service provision category going forward, and there have been some very specific approaches taken to that limiting the number of entrance gateways into the system and so on. And we are also working with the DOD and the DHS through their air domain awareness and security surveillance processes to be sure that as we interface with them, which we naturally have to do, that we maintain their security levels as well.

Mr. RODRIGUEZ. I would just ask you to keep in mind that, because I know we are going through GAO audits and we are asking them to assess how you are checking yourself in terms of, you know, because I remember a community that had a great system and it went down because people started calling on fireworks and stuff like that and so and they could not manage the system, so I would ask that you look at those exercises that are important, okay?

Mr. BABBITT. If I could, I would also note, we had an unfortunate outage recently, which I think the byproduct from that is going to be very helpful to what you are raising. I asked for a complete review of our infrastructure for our communications, our system. We put a team together that included industry experts in the IT world from the Department of Defense, Homeland Security, the White House, everyone, and we have taken a very hard scrub. We have the initial report and they are giving us a longer-term report on how well we are protected, what redundancies do we have, need, lack, and I am looking forward to that report and I would be happy to share it with you when we get it.

[The information follows:]

FTI REPORT—STATUS UPDATED ON APRIL 5, 2010

The FAA initiated an independent investigation of the FTI incident in question by a Blue Ribbon Panel comprised of government and industry experts. The Panel has drafted a report on the FTI incident and it is being coordinated through executive review. A copy will be provided for the record as soon as this process is complete.

Mr. RODRIGUEZ. And the report on the minority representation.

Mr. BABBITT. Yes, sir, thank you.

Mr. OLVER. Mr. LaTourette.

FAA REAUTHORIZATION

Mr. LATOURETTE. Thank you, Mr. Chairman, and welcome, Mr. Administrator. I want to congratulate you and the Secretary and your team for reaching that new contract with the air traffic controllers. That was sort of a blight on the system and it became one of the two major issues that, in my mind at least, kept FAA reauthorization from moving forward. And it still is not complete, our friends in the Senate have not quite gotten to it, and my question would be, how is the lack of an adequate FAA reauthorization impacting the agency if at all?

Mr. BABBITT. Well, we certainly would like to have a clear path for our long-term projects. I made a comment in a speech the other day, it is awfully difficult to make long-term decisions on short-term information, and I think that is where we feel ourselves. If we have clarity on where we can go and what we can do it certainly helps us for our longer-term projects.

FEDEX/UPS LABOR PROVISION

Mr. LATOURETTE. I would just interject, Republicans are having the same problem with this healthcare discussion, but go ahead. The other big issue, at least in my mind having been a former transportation guy, was that there was a dustup going on between FedEx and UPS, and the House bill came down on the side of UPS, and I do not know what the Senate is doing. Are you aware, one, of where those discussions are and has the Administration taken a position relative to whether or not both entities are going to be regarded as airlines or a ground transportation company?

Mr. BABBITT. To answer your first question, I am aware of the discussion. But no, sir, we are not part of those discussions. I think the Administration has given some guidance, but not to us.

AIP GRANTS FOR LIVEABLE AND SUSTAINABLE PROJECTS

Mr. LATOURETTE. Okay. The Airport and Airway Trust Fund, I do not see any diversions for liveable and sustainable communities. Is that an accurate observation, you are not part of that?

Mr. BABBITT. Yes, sir, I will give a brief overview and then I will let Nancy comment further. Our guidance, and, in terms of regulatory direction for us, and legislative direction for us, is to provide inspiration and guidance. We have some programs, they are voluntary. I actually had the opportunity to see one of our small airports actually using that guidance. I was recently in Charleston, West Virginia, and I rode in a vehicle that was part of our VALE program, which is a low-energy or low-emission vehicle, which is part of the program that came from airport improvement funds. But, no, we do not have specific directions. But, Nancy would you like to?

Ms. LOBUE. Thank you. This is an area I think we see as increasingly becoming more and more important. While we have no specific requirements right now, we are working with industry groups, particularly on best practices and sharing those. The standards for what is sustainability and the definition are still evolving, and as they become more robust, we are in fact having conversations about looking at performance standards and should we move from voluntary to some sort of mandatory requirements.

But I think at the current time, while we work through what is involved in sustainability, we are doing a series of voluntary programs. We have done a pilot program where we are funding certain grants, certain airports involved in sustainability projects. As the Administrator mentioned, the VALE program is one of those we consider as one of the cornerstones of sustainability. And again we are doing some guidance and best practices through the Airports Cooperative Research Program creating handbooks for how to do inventories for greenhouse gasses and things like that.

Mr. LATOURETTE. And are those grants coming out of the Airport and Airway Trust Fund?

Ms. LOBUE. Yes.

Mr. LATOURETTE. And do you have a dollar amount?

Ms. LOBUE. We can get that for you.

[The information follows:]

AMOUNT OF AIP GRANTS DEVOTED TO "SUSTAINABILITY" PROJECTS (ARP)

The FAA has awarded $3.4 million in the current year to Voluntary Airport Low Emissions (VALE) projects, bringing the total VALE funding for the past five years to $48.4 million. Additionally, we funded two FY09 grants totaling $580,798 for sustainable planning projects, bringing the total of amount of funding to "sustainability" projects to $49.0 million.

Mr. LATOURETTE. Okay, thank you so much. Thank you, Mr. Chairman.

MINORITY HIRING/ADS–B

Mr. OLVER. Thank you. Because Mr. Berry has indicated that he would like to listen a little bit before he delves into things, he will get his chance in the next round and I will claim the next Democratic position here, so we are basically starting our next round and the next person will be Mr. Carter on the other side. I wanted to just mention that to follow up on what Mr. Rodriguez said, the Subcommittee has asked for and FAA has provided each of the last couple of years what the women and minority hiring is among not just controllers but inspectors and such.

And so when he asks for a new report this year, it allows us to kind of look at this, it is always hard to look at only one point or two points, to begin to see what trends are. But I think you know that in the American population, about two thirds of the whole population is either women—they are over 50 percent—and minority males when you take in across the minorities. So one should begin to see some significant change in the way those patterns look over time. All right, then I want to go back here. Randy mentioned that, in commenting on ADS–B, that Houston is now about to be up or is up but you mentioned that Louisville was first up. Is Houston the second or are there other ADS–Bs now in place?

Mr. BABBITT. Let me clarify that for you a little bit. We have had ADS–B actually in use in a number of places. The Capstone project, for example, up in Alaska has been a long time in use. Some of that is R&D, some of it we actually use in the operational sense. Louisville came up but did not have initial operating capability at that point in time, I think it has now. Same thing with the Gulf.

Mr. OLVER. When you mentioned the Gulf, I thought you mentioned you were getting it from Louisville, but is the Gulf being covered by way of Houston?

Mr. BABBITT. Yes, it is in the Houston Center area.

Mr. OLVER. What is the next one that is about to come up?

Mr. BABBITT. Philadelphia.

Mr. OLVER. Philadelphia.

Mr. BABBITT. It has IOC.

Mr. OLVER. I think one almost needs a chart that lets us know which of these things is coming up when.

[The information follows:]

ADS-B WATERFALL SCHEDULE – CRITICAL SERVICES

The table below shows the rollout for ***critical services*** (ATC separation services). This information is per the contract with ITT Corporation and illustrates when ITT can begin invoicing the government for subscription charges. *Note: Since the contract was awarded in 2007, several adjustments have been made to the rollout, including adjustments for Philadelphia Surface, Seattle Surface, and 6 New York area service volumes.*

Service Volume ID	Location	Service Volume Type	Service Delivery Point	Critical Services
28	Philadelphia	Terminal B	PHL	FY2011
85	Louisville	Terminal C	SDF	FY2011
178	Juneau	En Route	ZAN	FY2011
179	GOMEX Low Altitude	En Route	ZHU	FY2011
180	GOMEX High Altitude	En Route	ZHU	FY2011
164	Jacksonville	En Route	ZJX	FY2012
168	Miami	En Route	ZMA	FY2012
171	New York	En Route	ZNY	FY2012
157	Boston	En Route	ZBW	FY2012
158	Washington	En Route	ZDC	FY2012
176	Atlanta	En Route	ZTL	FY2012
7	Miami	Terminal B	MIA	FY2012
8	Orlando	Terminal B	MCO	FY2012
9	Tampa	Terminal B	TPAZ	FY2012
10	Atlanta	Terminal B	ATL/A80	FY2012
15	Boston	Terminal B	BOS/A90	FY2012
16	Andrews AFB	Terminal B	PCT	FY2012
17	Baltimore	Terminal B	PCT	FY2012
22	Charlotte-Douglas	Terminal B	CLT	FY2012
23	Newark	Terminal B	QHM/N90	FY2012
25	John F. Kennedy	Terminal B	QHM/N90	FY2012
26	La Guardia	Terminal B	QHM/N90	FY2012
27	Cleveland-Hopkins	Terminal B	CLEZ	FY2012
29	Pittsburgh	Terminal B	PIT	FY2012
35	Dulles	Terminal B	PCT	FY2012
36	Reagan National	Terminal B	PCT	FY2012
41	Mobile	Terminal C	MOBZ	FY2012

Service Volume ID	Location	Service Volume Type	Service Delivery Point	Critical Services
56	Bradley-Windsor Locks	Terminal C	BDL/Y90	FY2012
57	Daytona Beach	Terminal C	DAB	FY2012
58	Fort Lauderdale-Hollywood	Terminal C	MIA	FY2012
59	Ft Myers	Terminal C	RSW	FY2012
60	Jacksonville	Terminal C	JAX	FY2012
61	Pensacola	Terminal C	PNS/P31	FY2012
62	Pensacola NAS	Terminal C	PNS/P31	FY2012
63	Sanford	Terminal C	MCO	FY2012
64	Sarasota-Bradenton	Terminal C	TPAZ	FY2012
65	Tallahassee	Terminal C	TLH	FY2012
66	West Palm Beach	Terminal C	PBI	FY2012
67	NAS Whiting Field (Milton)	Terminal C	PNS/P31	FY2012
68	Columbus	Terminal C	ATL/A80	FY2012
69	Savannah	Terminal C	SAV	FY2012
90	Bangor	Terminal C	BGRZ	FY2012
91	Portland	Terminal C	PWMZ	FY2012
98	Asheville	Terminal C	AVL	FY2012
99	Fayetteville	Terminal C	FAY	FY2012
100	Greensboro	Terminal C	GSO	FY2012
101	Pope AFB	Terminal C	POB-BASOP	FY2012
102	Raleigh-Durham	Terminal C	RDU	FY2012
106	Manchester	Terminal C	BOS/A90	FY2012
107	Atlantic City	Terminal C	ACYZ	FY2012
110	Albany	Terminal C	ALBZ	FY2012
111	Buffalo	Terminal C	BUFZ	FY2012
112	Islip/Long Island	Terminal C	QHM/N90	FY2012
113	Rochester	Terminal C	ROC	FY2012
114	Syracuse	Terminal C	SYRZ	FY2012
123	Allentown	Terminal C	ABEZ	FY2012
125	Providence	Terminal C	PVD/G90	FY2012
126	Charleston AFB/Intl	Terminal C	CHS	FY2012
127	Columbia Metropolitan	Terminal C	CAE	FY2012
128	Greer/Greenville-Spartanburg	Terminal C	GSP	FY2012
129	Myrtle Beach	Terminal C	MYR	FY2012
143	Norfolk	Terminal C	ORFZ	FY2012
144	Richmond	Terminal C	PCT	FY2012
145	Roanoke	Terminal C	ROAZ	FY2012

Service Volume ID	Location	Service Volume Type	Service Delivery Point	Critical Services
147	Burlington	Terminal C	BTVZ	FY2012
153	Charleston	Terminal C	CRWZ	FY2012
181	Hartsfield-Jackson Atlanta	Surface	ATL-ATCT	FY2012
182	Bradley	Surface	BDL-ATCT	FY2012
183	Boston Logan	Surface	BOS-ATCT	FY2012
184	Baltimore-Washington	Surface	BWI-ATCT	FY2012
185	Charlotte Douglas	Surface	CLT-ATCT	FY2012
186	Ronald Reagan Washington National	Surface	DCA-ATCT	FY2012
190	Newark	Surface	EWR-ATCT	FY2012
191	Ft. Lauderdale/Hollywood	Surface	FLL-ATCT	FY2012
194	Washington Dulles	Surface	IAD-ATCT	FY2012
196	John F. Kennedy	Surface	JFK-ATCT	FY2012
199	New York LaGuardia	Surface	LGA-ATCT	FY2012
200	Orlando	Surface	MCO-ATCT	FY2012
203	Miami	Surface	MIA-ATCT	FY2012
207	Philadelphia	Surface	PHL - ATCT	FY2012
209	Theodore Francis Green State	Surface	PVD-ATCT	FY2012
232	Gainesville	Terminal D	JAX	FY2012
233	Patrick AFB	Terminal D	MCO	FY2012
234	Augusta	Terminal D	AGS	FY2012
235	Macon	Terminal D	ATL/A80	FY2012
245	Falmouth-Otis AFB	Terminal D	FMH/K90	FY2012
246	Nantucket Mem	Terminal D	FMH/K90	FY2012
247	Patuxent River NA (Trapnell Field)	Terminal D	NHK-RATCF	FY2012
260	Wilmington	Terminal D	ILM	FY2012
267	Binghamton	Terminal D	BGMZ	FY2012
268	Elmira-Corning	Terminal D	ELMZ	FY2012
269	Newburgh (Stewart)	Terminal D	QHM/N90	FY2012
276	Erie (Ridge)	Terminal D	ERIZ	FY2012
277	Harrisburg (Middletown)	Terminal D	PCT	FY2012
278	Reading (Spaatz)	Terminal D	RDG	FY2012

Service Volume ID	Location	Service Volume Type	Service Delivery Point	Critical Services
279	Scranton-Wilkes-Barre (Suscon)	Terminal D	AVP	FY2012
288	Charlottesville	Terminal D	PCT	FY2012
289	Langley AFB	Terminal D	ORFZ	FY2012
290	Lynchburg	Terminal D	ROAZ	FY2012
294	Clarksburg	Terminal D	CKBZ	FY2012
295	Huntington	Terminal D	HTSZ	FY2012
298	Rome (Griffiss)	Terminal D	RME	FY2012
156	Chicago	En Route	ZAU	FY2013
170	Minneapolis	En Route	ZMP	FY2013
173	Cleveland	En Route	ZOB	FY2013
12	Chicago	Terminal B	ELG/C90	FY2013
13	Covington-Cincinnati	Terminal B	CVG	FY2013
14	New Orleans	Terminal B	MSYZ	FY2013
18	Detroit	Terminal B	DTW/D21	FY2013
19	Minneapolis-St. Paul	Terminal B	MSP/M98	FY2013
20	Kansas City	Terminal B	MCIZ	FY2013
21	St. Louis/Lambert	Terminal B	STL/T75	FY2013
30	Memphis	Terminal B	MEM	FY2013
31	Dallas/Ft. Worth	Terminal B	DFW/D10	FY2013
32	Houston-Intercontinental	Terminal B	IAH/I90	FY2013
33	Houston-Hobby	Terminal B	IAH/I90	FY2013
39	Birmingham Intl	Terminal C	BHMZ	FY2013
40	Huntsville	Terminal C	HSVZ	FY2013
42	Fayetteville-Springdale	Terminal C	FSMZ	FY2013
43	Little Rock	Terminal C	LITZ	FY2013
71	Cedar Rapids	Terminal C	CIDZ	FY2013
72	Des Moines	Terminal C	DSMZ	FY2013
74	Champaign	Terminal C	CMIZ	FY2013
75	Chicago Midway	Terminal C	ELG/C90	FY2013
76	Moline	Terminal C	MLI	FY2013
77	Peoria	Terminal C	PIAZ	FY2013
78	Springfield	Terminal C	SPIZ	FY2013
79	Evansville	Terminal C	EVV	FY2013
80	Fort Wayne	Terminal C	FWA	FY2013
81	Indianapolis	Terminal C	IND	FY2013
82	South Bend	Terminal C	SBN	FY2013
83	Wichita	Terminal C	ICTZ	FY2013

Service Volume ID	Location	Service Volume Type	Service Delivery Point	Critical Services
84	Lexington	Terminal C	LEX	FY2013
86	Barksdale AFB	Terminal C	BAD	FY2013
87	Baton Rouge	Terminal C	BTRZ	FY2013
88	Lafayette	Terminal C	LFTZ	FY2013
89	Shreveport	Terminal C	BAD	FY2013
92	Flint (Bishop)	Terminal C	FNT	FY2013
93	Grand Rapids	Terminal C	GRR	FY2013
94	Lansing	Terminal C	LAN	FY2013
95	Springfield	Terminal C	SGFZ	FY2013
96	Jackson	Terminal C	JANZ	FY2013
115	Akron-Canton	Terminal C	CAK	FY2013
116	Columbus	Terminal C	CMH	FY2013
117	Dayton	Terminal C	DAYZ	FY2013
118	Toledo	Terminal C	TOL	FY2013
119	Oklahoma City	Terminal C	OKC	FY2013
120	Tinker AFB	Terminal C	OKC	FY2013
121	Tulsa	Terminal C	TULZ	FY2013
124	San Juan	Terminal C	ZSU	FY2013
130	Chattanooga	Terminal C	CHA	FY2013
131	Knoxville	Terminal C	TYS	FY2013
132	Nashville	Terminal C	BNA	FY2013
133	Abilene	Terminal C	ABIZ	FY2013
134	Amarillo	Terminal C	AMA	FY2013
135	Austin	Terminal C	AUSZ	FY2013
136	Corpus Christi	Terminal C	CRPZ	FY2013
137	Dyess AFB	Terminal C	ABIZ	FY2013
138	El Paso	Terminal C	ELP	FY2013
139	Harlingen	Terminal C	CRPZ	FY2013
140	Lubbock	Terminal C	LBB	FY2013
141	Midland	Terminal C	MAFZ	FY2013
142	San Antonio	Terminal C	SATZ	FY2013
146	St.Thomas	Terminal C	PAM	FY2013
150	Green Bay	Terminal C	GRB	FY2013
151	Madison	Terminal C	MSN	FY2013
152	Milwaukee	Terminal C	MKE	FY2013
160	Ft Worth	En Route	ZFW	FY2013
162	Houston	En Route	ZHU	FY2013

Service Volume ID	Location	Service Volume Type	Service Delivery Point	Critical Services
163	Indianapolis	En Route	ZID	FY2013
165	Kansas City	En Route	ZKC	FY2013
169	Memphis	En Route	ZME	FY2013
175	San Juan	En Route	ZSU	FY2013
188	Dallas/Ft. Worth	Surface	DFW-ATCT	FY2013
189	Detroit Metro Wayne County	Surface	DTW-ATCT	FY2013
193	William P. Hobby	Surface	HOU-ATCT	FY2013
195	George Bush Intercontinental	Surface	IAH-ATCT	FY2013
201	Chicago Midway	Surface	MDW-ATCT	FY2013
202	Memphis	Surface	MEM-ATCT	FY2013
204	General Mitchell	Surface	MKE-ATCT	FY2013
205	Minneapolis-St. Paul	Surface	MSP-ATCT	FY2013
206	Chicago O'Hare	Surface	ORD-ATCT	FY2013
215	Lambert-St. Louis	Surface	STL-ATCT	FY2013
217	Montgomery	Terminal D	MGMZ	FY2013
238	Sioux City	Terminal D	SUXZ	FY2013
239	Waterloo	Terminal D	ALOZ	FY2013
240	Rockford	Terminal D	RFDZ	FY2013
241	Terre Haute	Terminal D	HUF	FY2013
242	Garden City	Terminal D	ZKC	FY2013
243	Lake Charles	Terminal D	LCHZ	FY2013
244	Monroe	Terminal D	MLUZ	FY2013
248	Alpena	Terminal D	APN	FY2013
249	Gwinn (KI Sawyer)	Terminal D	ZMP	FY2013
250	Kalamazoo	Terminal D	AZO	FY2013
251	Mount Clemens	Terminal D	MTC-RAPCON	FY2013
252	Muskegon	Terminal D	MKG	FY2013
253	Saginaw (Freeland)	Terminal D	MBS	FY2013
254	Duluth	Terminal D	DLH	FY2013
255	Rochester	Terminal D	RST	FY2013

Service Volume ID	Location	Service Volume Type	Service Delivery Point	Critical Services
256	Columbia	Terminal D	SGFZ	FY2013
257	Gulfport-Biloxi	Terminal D	GPTZ	FY2013
270	Mansfield	Terminal D	MFD	FY2013
271	Wilmington	Terminal D	DAY	FY2013
272	Youngstown	Terminal D	YNG	FY2013
273	Lawton (Fort Sill AAF)	Terminal D	FSI-RAPCON	FY2013
280	Florence	Terminal D	FLO	FY2013
282	Bristol	Terminal D	TRI	FY2013
283	Beaumont	Terminal D	BPTZ	FY2013
284	Longview	Terminal D	GGGZ	FY2013
285	San Angelo (Mathis)	Terminal D	MAFZ	FY2013
286	Waco	Terminal D	ACT	FY2013
155	Anchorage	En Route	ZAN	FY2014
166	Los Angeles	En Route	ZLA	FY2014
172	Oakland	En Route	ZOA	FY2014
154	Albuquerque	En Route	ZAB	FY2014
174	Seattle	En Route	ZSE	FY2014
1	Phoenix	Terminal B	PHX/P50	FY2014
2	Los Angeles	Terminal B	SCT	FY2014
3	MCAS Miramar	Terminal B	SCT	FY2014
4	San Diego	Terminal B	SCT	FY2014
5	San Francisco	Terminal B	NCT	FY2014
6	Denver	Terminal B	DEN/D84	FY2014
11	Honolulu	Terminal B	HNL ATCT	FY2014
24	Las Vegas	Terminal B	LAS/L30	FY2014
34	Salt Lake City	Terminal B	SLC/S56	FY2014
37	Seattle-Tacoma	Terminal B	SEA/S46	FY2014
38	Anchorage	Terminal C	ANC/A11	FY2014
44	Tucson/Davis-Monthan AFB	Terminal C	DMA/U90	FY2014
45	Burbank	Terminal C	SCT	FY2014
46	Fresno	Terminal C	FATZ	FY2014
47	Marysville-Beale AFB	Terminal C	NCT	FY2014
48	Monterey/Fort Ord Marina	Terminal C	NCT	FY2014
49	Oakland	Terminal C	NCT	FY2014
50	Ontario	Terminal C	SCT	FY2014
51	Sacramento-McClellan	Terminal C	NCT	FY2014
52	San Jose	Terminal C	NCT	FY2014

Service Volume ID	Location	Service Volume Type	Service Delivery Point	Critical Services
53	Santa Ana	Terminal C	SCT	FY2014
54	Santa Barbara	Terminal C	SBA	FY2014
55	Colorado Springs	Terminal C	COS	FY2014
70	Kahului	Terminal C	ZHN	FY2014
73	Boise	Terminal C	BOI	FY2014
97	Billings	Terminal C	BILZ	FY2014
103	Lincoln	Terminal C	LNKZ	FY2014
104	Omaha	Terminal C	R90	FY2014
105	Offutt AFB	Terminal C	R90	FY2014
108	Albuquerque	Terminal C	ABQ	FY2014
109	Reno	Terminal C	RNOZ	FY2014
122	Portland	Terminal C	PDX/P80	FY2014
148	Spokane	Terminal C	GEGZ	FY2014
149	Fairchild AFB	Terminal C	GEGZ	FY2014
159	Denver	En Route	ZDV	FY2014
161	Honolulu	En Route	ZHN	FY2014
167	Salt Lake City	En Route	ZLC	FY2014
177	Guam	En Route	ZUA	FY2014
187	Denver	Surface	DEN-ATCT	FY2014
192	Honolulu - Hickam AFB	Surface	HNL-ATCT	FY2014
197	Las Vegas McCarran	Surface	LAS-ATCT	FY2014
198	Los Angeles	Surface	LAX-ATCT	FY2014
208	Phoenix Sky Harbor	Surface	PHX-ATCT	FY2014
210	San Diego	Surface	SAN-ATCT	FY2014
212	Seattle-Tacoma	Surface	SEA-ATCT	FY2014
213	Salt Lake City	Surface	SLC-ATCT	FY2014
214	John Wayne-Orange County	Surface	SNA-ATCT	FY2014
216	Fairbanks	Terminal D	FAIZ	FY2014
218	Fort Smith	Terminal D	FSMZ	FY2014
219	Fort Huachuca/Sierra Vista	Terminal D	FHU	FY2014
220	Williams Gateway	Terminal D	DMA/U90	FY2014
221	Yuma	Terminal D	ZLA	FY2014
222	Bakersfield	Terminal D	BFLZ	FY2014

Service Volume ID	**Location**	**Service Volume Type**	**Service Delivery Point**	**Critical Services**
223	Merced	Terminal D	NCT	FY2014
224	Atwater-Castle	Terminal D	NCT	FY2014
225	Oceanside-Camp Pendleton	Terminal D	SCT	FY2014
226	Palm Springs	Terminal D	PSPZ	FY2014
227	Santa Maria	Terminal D	SBA	FY2014
228	Stockton	Terminal D	NCT	FY2014
229	Aspen	Terminal D	ASE	FY2014
230	Grand Junction	Terminal D	DEN/D84	FY2014
231	Pueblo	Terminal D	PUB	FY2014
236	Hilo	Terminal D	ZHN	FY2014
237	Lihue (Kauai)	Terminal D	ZHN	FY2014
258	Great Falls	Terminal D	GTF	FY2014
259	Missoula	Terminal D	GEGA	FY2014
261	Bismark	Terminal D	BIS	FY2014
262	Fargo-Hector Intl	Terminal D	FARZ	FY2014
263	Grand Forks	Terminal D	GFK	FY2014
264	Minot	Terminal D	MIB-RAPCON	FY2014
265	North Platte	Terminal D	ZDV	FY2014
266	Roswell	Terminal D	ROWZ	FY2014
274	Eugene	Terminal D	EUGZ	FY2014
275	Medford	Terminal D	EUGZ	FY2014
281	Sioux Falls-Joe Foss	Terminal D	FSDZ	FY2014
287	Provo	Terminal D	SLC/S56	FY2014
291	Moses Lake (Grant County)	Terminal D	MWHZ	FY2014
292	Pasco	Terminal D	PSCZ	FY2014
293	Yakima/McAllister	Terminal D	PSCZ	FY2014
296	Casper	Terminal D	CPR	FY2014
297	Cheyenne	Terminal D	CYS	FY2014

ADS-B WATERFALL SCHEDULE – ESSENTIAL SERVICES

The table below shows the rollout for ***essential services*** (uplink of traffic and weather). This information is per the contract with ITT Corporation and illustrates when ITT can begin invoicing the government for subscription charges. *Note: Since the contract was awarded in 2007, several adjustments have been made to the rollout, including adjustments for Philadelphia Surface, Seattle Surface, and 6 New York area service volumes.*

Service Volume ID	Location	Service Volume Type	Essential Services
28	Philadelphia	Terminal B	FY2009
85	Louisville	Terminal C	FY2009
164	Jacksonville	En Route	FY2009
168	Miami	En Route	FY2009
171	New York	En Route	FY2009
211	Louisville	Surface	FY2009
155	Anchorage	En Route	FY2010
156	Chicago	En Route	FY2010
157	Boston	En Route	FY2010
158	Washington	En Route	FY2010
166	Los Angeles	En Route	FY2010
170	Minneapolis	En Route	FY2010
172	Oakland	En Route	FY2010
173	Cleveland	En Route	FY2010
176	Atlanta	En Route	FY2010
178	Juneau	En Route	FY2010
154	Albuquerque	En Route	FY2011
174	Seattle	En Route	FY2011
7	Miami	Terminal B	FY2012
8	Orlando	Terminal B	FY2012
9	Tampa	Terminal B	FY2012
10	Atlanta	Terminal B	FY2012
15	Boston	Terminal B	FY2012
16	Andrews AFB	Terminal B	FY2012
17	Baltimore	Terminal B	FY2012
22	Charlotte-Douglas	Terminal B	FY2012
23	Newark	Terminal B	FY2012

Service Volume ID	Location	Service Volume Type	Essential Services
25	John F. Kennedy	Terminal B	FY2012
26	La Guardia	Terminal B	FY2012
27	Cleveland-Hopkins	Terminal B	FY2012
29	Pittsburgh	Terminal B	FY2012
35	Dulles	Terminal B	FY2012
36	Reagan National	Terminal B	FY2012
41	Mobile	Terminal C	FY2012
56	Bradley-Windsor Locks	Terminal C	FY2012
57	Daytona Beach	Terminal C	FY2012
58	Fort Lauderdale-Hollywood	Terminal C	FY2012
59	Ft Myers	Terminal C	FY2012
60	Jacksonville	Terminal C	FY2012
61	Pensacola	Terminal C	FY2012
62	Pensacola NAS	Terminal C	FY2012
63	Sanford	Terminal C	FY2012
64	Sarasota-Bradenton	Terminal C	FY2012
65	Tallahassee	Terminal C	FY2012
66	West Palm Beach	Terminal C	FY2012
67	NAS Whiting Field (Milton)	Terminal C	FY2012
68	Columbus	Terminal C	FY2012
69	Savannah	Terminal C	FY2012
90	Bangor	Terminal C	FY2012
91	Portland	Terminal C	FY2012
98	Asheville	Terminal C	FY2012
99	Fayetteville	Terminal C	FY2012
100	Greensboro	Terminal C	FY2012
101	Pope AFB	Terminal C	FY2012
102	Raleigh-Durham	Terminal C	FY2012
106	Manchester	Terminal C	FY2012
107	Atlantic City	Terminal C	FY2012
110	Albany	Terminal C	FY2012
111	Buffalo	Terminal C	FY2012
112	Islip/Long Island	Terminal C	FY2012
113	Rochester	Terminal C	FY2012
114	Syracuse	Terminal C	FY2012
123	Allentown	Terminal C	FY2012
125	Providence	Terminal C	FY2012

Service Volume ID	Location	Service Volume Type	Essential Services
126	Charleston AFB/Intl	Terminal C	FY2012
127	Columbia Metropolitan	Terminal C	FY2012
128	Greer/Greenville-Spartanburg	Terminal C	FY2012
129	Myrtle Beach	Terminal C	FY2012
143	Norfolk	Terminal C	FY2012
144	Richmond	Terminal C	FY2012
145	Roanoke	Terminal C	FY2012
147	Burlington	Terminal C	FY2012
153	Charleston	Terminal C	FY2012
181	Hartsfield-Jackson Atlanta	Surface	FY2012
182	Bradley	Surface	FY2012
183	Boston Logan	Surface	FY2012
184	Baltimore-Washington	Surface	FY2012
185	Charlotte Douglas	Surface	FY2012
186	Ronald Reagan Washington National	Surface	FY2012
190	Newark	Surface	FY2012
191	Ft. Lauderdale/Hollywood	Surface	FY2012
194	Washington Dulles	Surface	FY2012
196	John F. Kennedy	Surface	FY2012
199	New York LaGuardia	Surface	FY2012
200	Orlando	Surface	FY2012
203	Miami	Surface	FY2012
207	Philadelphia	Surface	FY2012
209	Theodore Francis Green State	Surface	FY2012
232	Gainesville	Terminal D	FY2012
233	Patrick AFB	Terminal D	FY2012
234	Augusta	Terminal D	FY2012
235	Macon	Terminal D	FY2012
245	Falmouth-Otis AFB	Terminal D	FY2012
246	Nantucket Mem	Terminal D	FY2012
247	Patuxent River NA (Trapnell Field)	Terminal D	FY2012
260	Wilmington	Terminal D	FY2012
267	Binghamton	Terminal D	FY2012
268	Elmira-Corning	Terminal D	FY2012
269	Newburgh (Stewart)	Terminal D	FY2012
276	Erie (Ridge)	Terminal D	FY2012
277	Harrisburg (Middletown)	Terminal D	FY2012

Service Volume ID	Location	Service Volume Type	Essential Services
278	Reading (Spaatz)	Terminal D	FY2012
279	Scranton-Wilkes-Barre (Suscon)	Terminal D	FY2012
288	Charlottesville	Terminal D	FY2012
289	Langley AFB	Terminal D	FY2012
290	Lynchburg	Terminal D	FY2012
294	Clarksburg	Terminal D	FY2012
295	Huntington	Terminal D	FY2012
298	Rome (Griffiss)	Terminal D	FY2012
12	Chicago	Terminal B	FY2013
13	Covington-Cincinnati	Terminal B	FY2013
14	New Orleans	Terminal B	FY2013
18	Detroit	Terminal B	FY2013
19	Minneapolis-St. Paul	Terminal B	FY2013
20	Kansas City	Terminal B	FY2013
21	St. Louis/Lambert	Terminal B	FY2013
30	Memphis	Terminal B	FY2013
31	Dallas/Ft. Worth	Terminal B	FY2013
32	Houston-Intercontinental	Terminal B	FY2013
33	Houston-Hobby	Terminal B	FY2013
39	Birmingham Intl	Terminal C	FY2013
40	Huntsville	Terminal C	FY2013
42	Fayetteville-Springdale	Terminal C	FY2013
43	Little Rock	Terminal C	FY2013
71	Cedar Rapids	Terminal C	FY2013
72	Des Moines	Terminal C	FY2013
74	Champaign	Terminal C	FY2013
75	Chicago Midway	Terminal C	FY2013
76	Moline	Terminal C	FY2013
77	Peoria	Terminal C	FY2013
78	Springfield	Terminal C	FY2013
79	Evansville	Terminal C	FY2013
80	Fort Wayne	Terminal C	FY2013
81	Indianapolis	Terminal C	FY2013
82	South Bend	Terminal C	FY2013
83	Wichita	Terminal C	FY2013
84	Lexington	Terminal C	FY2013
86	Barksdale AFB	Terminal C	FY2013

Service Volume ID	Location	Service Volume Type	Essential Services
87	Baton Rouge	Terminal C	FY2013
88	Lafayette	Terminal C	FY2013
89	Shreveport	Terminal C	FY2013
92	Flint (Bishop)	Terminal C	FY2013
93	Grand Rapids	Terminal C	FY2013
94	Lansing	Terminal C	FY2013
95	Springfield	Terminal C	FY2013
96	Jackson	Terminal C	FY2013
115	Akron-Canton	Terminal C	FY2013
116	Columbus	Terminal C	FY2013
117	Dayton	Terminal C	FY2013
118	Toledo	Terminal C	FY2013
119	Oklahoma City	Terminal C	FY2013
120	Tinker AFB	Terminal C	FY2013
121	Tulsa	Terminal C	FY2013
124	San Juan	Terminal C	FY2013
130	Chattanooga	Terminal C	FY2013
131	Knoxville	Terminal C	FY2013
132	Nashville	Terminal C	FY2013
133	Abilene	Terminal C	FY2013
134	Amarillo	Terminal C	FY2013
135	Austin	Terminal C	FY2013
136	Corpus Christi	Terminal C	FY2013
137	Dyess AFB	Terminal C	FY2013
138	El Paso	Terminal C	FY2013
139	Harlingen	Terminal C	FY2013
140	Lubbock	Terminal C	FY2013
141	Midland	Terminal C	FY2013
142	San Antonio	Terminal C	FY2013
146	St.Thomas	Terminal C	FY2013
150	Green Bay	Terminal C	FY2013
151	Madison	Terminal C	FY2013
152	Milwaukee	Terminal C	FY2013
160	Ft Worth	En Route	FY2013
162	Houston	En Route	FY2013
163	Indianapolis	En Route	FY2013
165	Kansas City	En Route	FY2013

Service Volume ID	Location	Service Volume Type	Essential Services
169	Memphis	En Route	FY2013
175	San Juan	En Route	FY2013
188	Dallas/Ft. Worth	Surface	FY2013
189	Detroit Metro Wayne County	Surface	FY2013
193	William P. Hobby	Surface	FY2013
195	George Bush Intercontinental	Surface	FY2013
201	Chicago Midway	Surface	FY2013
202	Memphis	Surface	FY2013
204	General Mitchell	Surface	FY2013
205	Minneapolis-St. Paul	Surface	FY2013
206	Chicago O'Hare	Surface	FY2013
215	Lambert-St. Louis	Surface	FY2013
217	Montgomery	Terminal D	FY2013
238	Sioux City	Terminal D	FY2013
239	Waterloo	Terminal D	FY2013
240	Rockford	Terminal D	FY2013
241	Terre Haute	Terminal D	FY2013
242	Garden City	Terminal D	FY2013
243	Lake Charles	Terminal D	FY2013
244	Monroe	Terminal D	FY2013
248	Alpena	Terminal D	FY2013
249	Gwinn (KI Sawyer)	Terminal D	FY2013
250	Kalamazoo	Terminal D	FY2013
251	Mount Clemens	Terminal D	FY2013
252	Muskegon	Terminal D	FY2013
253	Saginaw (Freeland)	Terminal D	FY2013
254	Duluth	Terminal D	FY2013
255	Rochester	Terminal D	FY2013
256	Columbia	Terminal D	FY2013
257	Gulfport-Biloxi	Terminal D	FY2013
270	Mansfield	Terminal D	FY2013
271	Wilmington	Terminal D	FY2013
272	Youngstown	Terminal D	FY2013
273	Lawton (Fort Sill AAF)	Terminal D	FY2013
280	Florence	Terminal D	FY2013
282	Bristol	Terminal D	FY2013
283	Beaumont	Terminal D	FY2013

Service Volume ID	Location	Service Volume Type	Essential Services
284	Longview	Terminal D	FY2013
285	San Angelo (Mathis)	Terminal D	FY2013
286	Waco	Terminal D	FY2013
1	Phoenix	Terminal B	FY2014
2	Los Angeles	Terminal B	FY2014
3	MCAS Miramar	Terminal B	FY2014
4	San Diego	Terminal B	FY2014
5	San Francisco	Terminal B	FY2014
6	Denver	Terminal B	FY2014
11	Honolulu	Terminal B	FY2014
24	Las Vegas	Terminal B	FY2014
34	Salt Lake City	Terminal B	FY2014
37	Seattle-Tacoma	Terminal B	FY2014
38	Anchorage	Terminal C	FY2014
44	Tucson/Davis-Monthan AFB	Terminal C	FY2014
45	Burbank	Terminal C	FY2014
46	Fresno	Terminal C	FY2014
47	Marysville-Beale AFB	Terminal C	FY2014
48	Monterey/Fort Ord Marina	Terminal C	FY2014
49	Oakland	Terminal C	FY2014
50	Ontario	Terminal C	FY2014
51	Sacramento-McClellan	Terminal C	FY2014
52	San Jose	Terminal C	FY2014
53	Santa Ana	Terminal C	FY2014
54	Santa Barbara	Terminal C	FY2014
55	Colorado Springs	Terminal C	FY2014
70	Kahului	Terminal C	FY2014
73	Boise	Terminal C	FY2014
97	Billings	Terminal C	FY2014
103	Lincoln	Terminal C	FY2014
104	Omaha	Terminal C	FY2014
105	Offutt AFB	Terminal C	FY2014
108	Albuquerque	Terminal C	FY2014
109	Reno	Terminal C	FY2014
122	Portland	Terminal C	FY2014
148	Spokane	Terminal C	FY2014
149	Fairchild AFB	Terminal C	FY2014

Service Volume ID	Location	Service Volume Type	Essential Services
159	Denver	En Route	FY2014
161	Honolulu	En Route	FY2014
167	Salt Lake City	En Route	FY2014
177	Guam	En Route	FY2014
187	Denver	Surface	FY2014
192	Honolulu - Hickam AFB	Surface	FY2014
197	Las Vegas McCarran	Surface	FY2014
198	Los Angeles	Surface	FY2014
208	Phoenix Sky Harbor	Surface	FY2014
210	San Diego	Surface	FY2014
212	Seattle-Tacoma	Surface	FY2014
213	Salt Lake City	Surface	FY2014
214	John Wayne-Orange County	Surface	FY2014
216	Fairbanks	Terminal D	FY2014
218	Fort Smith	Terminal D	FY2014
219	Fort Huachuca/Sierra Vista	Terminal D	FY2014
220	Williams Gateway	Terminal D	FY2014
221	Yuma	Terminal D	FY2014
222	Bakersfield	Terminal D	FY2014
223	Merced	Terminal D	FY2014
224	Atwater-Castle	Terminal D	FY2014
225	Oceanside-Camp Pendleton	Terminal D	FY2014
226	Palm Springs	Terminal D	FY2014
227	Santa Maria	Terminal D	FY2014
228	Stockton	Terminal D	FY2014
229	Aspen	Terminal D	FY2014
230	Grand Junction	Terminal D	FY2014
231	Pueblo	Terminal D	FY2014
236	Hilo	Terminal D	FY2014
237	Lihue (Kauai)	Terminal D	FY2014
258	Great Falls	Terminal D	FY2014
259	Missoula	Terminal D	FY2014
261	Bismark	Terminal D	FY2014
262	Fargo-Hector Intl	Terminal D	FY2014
263	Grand Forks	Terminal D	FY2014
264	Minot	Terminal D	FY2014
265	North Platte	Terminal D	FY2014

Service Volume ID	Location	Service Volume Type	Essential Services
266	Roswell	Terminal D	FY2014
274	Eugene	Terminal D	FY2014
275	Medford	Terminal D	FY2014
281	Sioux Falls-Joe Foss	Terminal D	FY2014
287	Provo	Terminal D	FY2014
291	Moses Lake (Grant County)	Terminal D	FY2014
292	Pasco	Terminal D	FY2014
293	Yakima/McAllister	Terminal D	FY2014
296	Casper	Terminal D	FY2014
297	Cheyenne	Terminal D	FY2014
179	GOMEX Low Altitude	En Route	N/A
180	GOMEX High Altitude	En Route	N/A

Mr. BABBITT. Sure.

NEXTGEN IMPLEMENTATION/EN-ROUTE CENTERS

Mr. OLVER. There are complications. I see, you must have some sort of plan at least in somebody's mind, I do not know whether it is Victoria's mind or Nancy's mind, of how these things are going to come up in order. I look at airspace design, which we must have done some of whether we have done it before we did the Potomac TRACON consolidations or the Boston consolidations or the California, the north and southern California, whether that airspace design preceded in both cases those things, and I need to understand what is the order of things that must be done and what are—these acronyms are systems that put in place, but the airspace design is something which is overarching, it seems to me. That is one of the complexities of this matrix that I spoke of earlier.

And then you speak of, as my Ranking Member Mr. Latham had questioned about the En-route Centers, now, for instance Salt Lake seems to be the first of those that is in place but I am told there are 21 more to be done. We even end up changing the numbers from time to time because he thought that we were at 24 and I thought I had understood 24 was where we were going to be. And I then need to know, when we have NextGen completely in place are we going to need 24 still or 21 still, 22 still I guess it would be, or is that only an interim kind of a step? I need to get some sense of what the context is in which we are likely to be functioning over a period of time here how these things are fitting together. In fact, are we going to need, just quickly, are we going to need 22 when NextGen is in full place on the En-route Centers?

Mr. KRAKOWSKI. The technology would allow us to have, if we wanted to, one giant center in the middle of the country or somewhere, the technology would allow that. Other countries have consolidated to that degree.

Mr. OLVER. But they are smaller.

Mr. KRAKOWSKI. But they are small countries, correct.

Mr. OLVER. Except a few.

Mr. KRAKOWSKI. But we do not know what the end-game answer is. It could be 20. Now, and when we are talking, we are not just talking the big air traffic control centers, the end-game design is to have all the local TRACONS, the radar services at the hub airports, to also come within those, and that is in place in many countries. So we are going to work with our employees.

Mr. OLVER. We are behind, are not we?

Mr. KRAKOWSKI. Well, but the technology——

Mr. OLVER. But their spaces are smaller and their total capacities are smaller.

Mr. KRAKOWSKI. Exactly. I think though, to get to the root of your question, I look at ADS–B and the NextGen technologies as an enabler to do things with airspace we cannot do with the current system. The current system is equivalent to hard-wired telephones in your house. NextGen and ADS–B are the equivalent of cell phone technology.

Mr. OLVER. I am trying to find out whether we are in interim stages and whether when we are building TRACONS in various places that we are—well, I will ask that question in the next round.

Mr. KRAKOWSKI. Okay.

Mr. OLVER. Mr. Carter.

EQUIPPAGE INCENTIVIZATION FOR NEXTGEN

Mr. CARTER. Thank you, Mr. Chairman, and I thank all of you for being here today. I would like to ask a question that relates to general aviation. Is the FAA doing anything to help general aviation transition into NextGen, and if so how much will it cost general aviation to equip with ADS–B, and what are the incentives that would encourage folks to equip? And finally, should the Federal government in some form or fashion assist general aviation in the cost?

Mr. BABBITT. It is an excellent question. I think we have certainly looked at that. I think perhaps before you came in I talked about some of the benefits that general aviation receives when we have a full robust NextGen system implemented. The ability to have approaches, we can provide approaches very inexpensively to thousands of more airports than we could today because we simply could not afford to put ground equipment and then maintain that equipment on the ground justified by four or five approaches a day.

However, if all we have to do is design the approach and the aircraft has the equipment, it is relatively inexpensive and it has no ongoing cost other than just sustain the system with the satellites. So it offers a lot of benefit there. The question of equipage has come up, and right now I think the Secretary has testified to that effect, we are looking at this from the executive level and the Administration on what should we do. There is a case to be made that in the system, we talk about best equipped being best served, but everybody equipped is everybody best served.

So there is a tipping point, and if more aircraft are equipped, the entire system runs better. So we are looking at ways to try and understand what benefits do people get in this, and clearly the benefits of safety and efficiency, protection of the environment, all those are wonderful things, opportunity to have better navigation, situational awareness, weather into the cockpit of general aviation aircraft. You do not fly in many—and when I say real general aviation, we are down into propeller, small propeller, two-four-passenger airplanes—you do not see those with weather radar. So they are denied, they just simply cannot afford that cost. NextGen brings that right into them with a display. And so that is all under consideration.

Mr. CARTER. And what is the cost? What would the cost be to general aviation to do that?

Mr. BABBITT. Well, on a per aircraft basis, I think one of the things that we have always been reluctant to do is give some of these cost estimates. If someone said, make me a prototype ADS–B in-out system what would that cost, it would be astronomical. If I said, make 200,000 of them and put them in every airplane in this country, I think it gets a lot more reasonable. So we have not had a good number on that. I have seen some aggregate numbers. How sophisticated does it have to be to make you compliant? Do you need the same thing that a 777 of United Airlines needs to get into Kennedy Airport, do you need that in your NextGen equipped light twin? Probably not. So I would be reluctant to give you a hard dollar cost, but we are clearly talking in the multiples of billions.

Mr. CARTER. Do you think the government will be willing to assist the general aviation by some sort of supplement or something to assist them? Because it sounds like to me that is going to, no matter how many you put out there it is going to be a pretty high cost item for a small four-passenger general aviation plane to be able to put in. And then would it become a requirement to have that? That would also be something I think that pilots would like to know.

Mr. BABBITT. Sure. Well, what we have done in the past—I will answer those questions backwards—the requirement issue, there are sort of barriers right now that you cannot fly in controlled airspace without certain equipment. And so that is a decision the pilot would have to make. I am either going to have this equipment and be able to operate in all the airspace or I am going to have a little less equipment and operate in some of the airspace. Again, that is a level. Going to the willingness, I think what we all need to do, both the government, the industry, the users, is to sit down and understand what the value is. My personal belief is that there is value into getting us to that tipping point with everybody equipped. What form that takes, whether that is some loans, some tax credits, things like that, that is on your side of the microphone, not mine.

Mr. CARTER. That is down the road.

Mr. BABBITT. Yes, sir.

Mr. CARTER. Okay. Thank you, Mr. Chairman.

Mr. OLVER. Mr. Berry.

LABOR RELATIONS WITH CONTROLLERS

Mr. BERRY. Thank you, Mr. Chairman, and thank all of you for being here today. I think I brought this up at this hearing last year. The morale with the air traffic controllers in the two airports that I am closest to, that would be Little Rock, Arkansas, and Memphis, Tennessee, especially Memphis, is really not good. I do not think it is good for people to be working under those circumstances. Has anything been done in the last year to try to improve that?

Mr. BABBITT. Yes, sir. I think, now I cannot speak for any particular facility and there may be something unique there, but as a whole I am genuinely encouraged and delighted to see the progress we have made. Number one, we do have a new labor agreement. Number two, we have engaged in a number of initiatives for a much better dialogue with our controllers, and, for that matter, a much better dialogue with all of the employees of the FAA. Thirdly, I will refer to them as the lost years, there was a period of time when relations were not very good, and that takes time to heal. And to that effect we have hired an outside team, you can call it what you would like, a marriage counselor, whatever you would like, but the bottom line is, we needed some help in facilitating the return of good relations.

I have a background in labor relations, and I understand when they get really torn it takes a while to put them back together, and

I am quite happy with the progress, and I would applaud the team. Hank has worked very hard on a personal basis working with the controllers. The new leadership, I would invite you to have direct conversation and get their opinion. I could tell you all day long how good I think it is, but I think if you talk to the controllers yourself, you are going to find that they are very optimistic and are seeing the progress. We have worked a number of things out that before would have either gone to arbitration or impasse, and today we are reaching mutually agreed solutions and I am very happy about that, they have a lot to offer us. Hank, do you want to add anything?

Mr. KRAKOWSKI. Yes. Specific to Memphis with the split that we did, which you are aware of, I actually went down there a few months ago and talked with the leadership team, and I think things are getting better. I think the atmosphere, as the Administrator just talked about, is helping overall, and I think we are going to start to accelerate through these issues.

Mr. OLVER. We are going to be listening to the testimony this afternoon and you can ask that one directly because there will be a person on the panel from the air controllers, you can check with the other side of that one.

NEXTGEN IMPLEMENTATION

Mr. BERRY. Okay. I would share to the Chairman's, from your answer to his last question, you know, Boon Pickins wrote in his last book that any fool with a plan will beat a genius without one. That seems to be, I know Boone Pickins may not be considered the master of aviation, but I think he makes a basic human behavior point, and it makes me nervous when we do not know how many of these places we are going to have. Seems to me that we have already built up and taken off and now we are going to try to figure out where we are going to go, I think that needs to be a little more clearly defined. I would certainly be more comfortable with it if it was.

Mr. BABBITT. If I can expand on that, and I appreciate your comment on Mr. Pickins. I have an autographed book from him and he made one of the wisest decisions he ever made, which was to stay out of the airline business.

Mr. BERRY. I would agree with that.

Mr. BABBITT. One of the things, and I think it is probably, let me give sort of a top view, sometimes I think we might not do ourselves service in providing clarity to you on some of the things that we are doing. We talk about redesigning airspace, that can be independent with or without ADS–B. We can have ADS–B with or without a design of the airspace. We can have one center, 21 centers, eight centers, with ERAM however we construct it.

So these are different issues, and we completely acknowledge that, if you think about where the centers are today, we put the centers where we literally had the big radar systems so that they could be close to them. Well, they do not need to be there today. Today we think about where are gridlines, where are natural faults in the earth's surface, and where are natural disasters going to be avoided? You do not want to put them in harm's way, you do not want to put a center right on a known earthquake fault. So we are going to give that some thought, but that is a further out issue and not one that needs to be decided here and now as to what ERAM is going to look like. That is an independent decision.

Mr. BERRY. I would like to volunteer my district for the location of that one center.

Mr. OLVER. He has got some big rice fields out there in which that would probably do well without any problem. I am not quite sure exactly where we are, but I think Mr. LaTourette is in the order going next direction.

GBAS

Mr. LATOURETTE. Well, thanks very much. I want to talk international if I could for just a minute. Everybody has a favorite airline, mine happens to be Continental because they employ thousands of people in Cleveland, Ohio. And, in your testimony you talk about aggressively moving forward with NextGen, it is the perception of some in the business that that is not quite measuring up and in particular one of their other hubs aside from beautiful Cleveland, Ohio, is in Guam.

They have invested a lot of money, as I assume other airlines have in, you know, they are to be commended for buying Boeing products, which also employ Americans, and they are buying them at a certain cost with the satellite-based tracking system navigation aids already installed. The question that they have is that, so they spent all this dough and one of their hubs is in Guam and there is not, as they can see it, a plan at the moment for the installation of a GBAS system in Guam, and I just want to know what do you have to say about that and when do you think it is going to happen and if it is going to happen?

Mr. BABBITT. Very good question. Actually, we have just spent some time recently on this question. GBAS, which is Ground Based Augmentation System, for finding the signal of the satellite navigation so you can use it in the approach environment, for us it is a research and development project, and I am going to let Vicki talk to you a little bit more about that. But Continental, by the way, is one of our best partners. This GBAS system is in its research and development phase in Newark, and we are very appreciative of the feedback we get from them. They utilize it. Actually some of their regional feed can utilize it to land on a runway otherwise not served by an approach, so it is a good system.

However, to move it to Guam, we would have to buy the system. We have three of them, one of them is fully in test, the other two are in facilities where Memphis I believe is the other one, and we use it in Newark. The bottom line is, we asked Continental if they could, since they are the primary user of the airport, if they would perhaps help us with some finances. Their answer, and I do not want to put them on the spot, but they came back and said, “look, the weather in Guam is usually pretty good but for typhoons and we do not land there when the typhoons are blowing, so we cannot cost justify any allocation of funds to it.”

So we have sort of taken the conclusion that if they cannot cost justify it, if we cannot provide them increased operational capability by providing GBAS to them, that it would just be another R&D site for us. And we at this point in time have concluded that

that does not serve the mission too well. Vicki has some information on what we are doing in that testing.

Ms. COX. So, as Randy said, it is still an R&D project. We are making great progress though. We have certified GBAS for Category 1, which is our lowest category of systems, but we are continuing the R&D to get the Category 2 and 3 capability, which I know Continental and others are very interested in, and we are very hopeful that we will have data to support those decisions and actually be able to get that certification in the near future and, at that point in time, make a decision about further acquisitions of a fully certified Cat 2 or 3 system, at which time airports in the Continental U.S. and also in other locations like Guam would be considered. I can point out that there is an additional complication with the location of Guam because of its nearness to the equator and potential ionospheric disturbance that would also need to be investigated.

Mr. LATOURETTE. If the FAA makes a decision to move forward to the Category 2 and 3 level, what is a reasonable timeframe for a commissioning of the first system?

Ms. COX. We have a decision point in our architecture to make a decision about potential future ILS type approaches that is in the, I believe it is the 2015 timeframe, that we would make that decision. But I can get back to you with that exact date, I may not be accurate.

[The information follows:]

TIMEFRAME FOR GBAS CATEGORY II AND II APPROACHES—STATUS UPDATED APRIL 5, 2010

Ground Based Augmentation Systems or GBAS CAT II/III approaches will be available beginning in FY2014–2015 and will continue with installations at OEP and CAT III airports with an expected completion date of FY2012–2022.

FOREIGN REPAIR STATIONS

Mr. LATOURETTE. Okay, I would appreciate that. And, Mr. Krakowski, when you were here last year we had a little discussion about repair stations international and domestic, and there was some controversy going on between the European Union and the treatment of that. Any update on where we are with the repair stations?

Mr. KRAKOWSKI. I think I'll throw that over to Mr. Hickey actually.

Mr. LATOURETTE. Oh good, all right, well, you have outsourced it since I saw you last.

Mr. HICKEY. Good morning, sir. We are closely monitoring what is going on in the House and the Senate. The House's reauthorization bill calls for a mandatory two inspections per year. As is well known, the problem and challenge with that is it somewhat is contrary to the spirit of a bilateral aviation safety agreement we have with the Europeans which would provide for reciprocal acceptance of our inspections, meaning repair stations in Europe that hold FAA certificates. The Europeans would do the inspections on our behalf, and for the repair stations in the U.S. that hold European certificates, we would do those inspections. The Senate reauthorization bill, which has passed committee I believe but has not gone to the floor, does provide a provision that would seemingly allow for agreements like that.

But at this point in time, we do not know which way it is going to go. I will say that there are many in the U.S. industry, and the Europeans in particular have said that if that goes through that they will set up a third party organization in the United States and conduct two inspections also on the U.S. repair stations. And the challenge, of course, with that is the Europeans charge fees for their work, and there are approximately three times the amount of repair stations in the U.S. than we have in Europe, and as such it would be a lot of cost to U.S. repair stations, and several of the aviation groups I think have provided various committees with that cost.

Mr. LATOURETTE. Got you. Thanks so much.

AIRSPACE REDESIGN/CONSOLIDATIONS

Mr. OLVER. The answer to your question there sort of gets you to why this is so complicated in the U.S., even that one. For those who may not be aware, we have about 50 percent of all the air traffic in the world these days, and so the Europeans with their smaller places that can put in place these things in a much more orderly manner, it seems to me, with the total amount of traffic that they have.

And this one where we have three times as many repair stations as they have leads us into a conflict essentially, which we are trying to for safety reasons think about very carefully, and then you get into the conflict of your mutual agreements, your bilateral agreements and so on. Anyway, that is a view that may not hold up on further scrutiny, but I say it in any case. I want to go back to where I was earlier. Did we do the airspace redesigns where the big TRACON Potomac and Boston and California Consolidations were done? Did we do those with a design first, whoever is in charge of that?

Mr. BABBITT. Again I will let Hank answer that a little better, but the difference between consolidation, if we consolidated two approach controls, we are talking about taking the screen that the controller would be looking at and moving it to another building, the airspace that he controls is unchanged. So there is a difference between redesigning the airspace and realigning.

Mr. OLVER. Does not the redesign of airspace also have something to do with whether or not you are going to make your approaches in steps, which have environment and noise implications, as opposed to being able to make those in an incremental way?

Mr. BABBITT. Yes, sir.

Mr. OLVER. Which allows you to be on a glide path essentially. But does not the redesign of the airspace involve that as well or is that a different, totally different kind of a thing?

Mr. BABBITT. Yes, that is what I am trying to make the distinction. There is a difference between the redesign of the airspace, we can leave the TRACON right where it is and redesign the airspace. We could combine two TRACONS and never touch the airspace. So I just wanted to make that distinction.

Mr. KRAKOWSKI. That is exactly accurate. I think though, to get to your question, what we really want to do is do all of it simultaneously as a concept of operation. So that if we are going to make a move and we are going to actually put modernization into these facilities, which is one of the drivers for making these physical moves of facilities, we would like to take advantage of working the airspace at the same time. Now, the Task Force 5 recommendations that we have talked about are starting to drive us toward a road map of what are the priorities for industry and the airlines on where we should start this work and kind of on what credo.

Mr. OLVER. What I am trying to look for is some sort of a plan. I am not sure whether I am the fool or the genius here, I have to think about that from what my distinguished colleague has commented. But I am trying to get a sense whether we are doing air en route centers that are near term, midterm, or end term, long term, when the whole system is in place. Are we doing things that are going to have to be again readjusted farther along the way—and then whether we are going to have more or fewer en route centers.

Looks as if from what Randy has said that you could have many fewer but maybe you will have only eight or ten for the whole country at some point, we do not yet know, apparently. But then on TRACONS, are we going to have more or fewer in the long term, or do you know that? Are we going to have more or fewer towers? It seems to me there is not much impact of where you want to have the last mile kinds of towers situations, but the last 50 miles of TRACON and so forth is quite different sort of a thing, we may have many fewer than we have now.

Mr. KRAKOWSKI. Correct. The enabler is the technology.

Mr. OLVER. That is why this is all so complicated and why I am befuddled a little bit about how we are going to achieve this whole thing.

Mr. BABBITT. Well, I think there are two issues. I think if Hank talks to more the facilities side and I think Vicki can talk about the longer term, the end.

Mr. OLVER. We may be better to try to do this in you providing me with a seminar at another time.

Mr. BABBITT. We would be happy to do that, happy to do that.

Mr. OLVER. Okay. Mr. Latham, and since we sort of got confused and basically did, we are now starting on our third round truly, you will have up to ten minutes if you wish at this point.

Mr. LATHAM. This will be exciting.

Mr. CARTER. You are glad you came back.

CONTROLLER PAY/CONTRACT EFFICIENCIES

Mr. LATHAM. Yes, thank you. Okay, let me just say first I want to talk about the air controllers, and I think everyone understands the tremendous job that they do and how everyone wants to make sure we have the very best people there and to have them be happy in what they are doing and enjoy their work, and I think they are under incredible stress. And I think, one thing about Members of Congress, we fly probably every weekend so we see what happens and the kind of nightmare that they have to put up with as far as making the system work.

And, you know, in the last few years there has been a lot said about controller pay. The figures that you provide show the top 100 controllers make about $229,000 a year, and it is certainly a lot of money and I think you can certainly make the case it is well earned. And in the contract I think they get a three and a half percent increase each of the next several years, and your figures show the 100 highest paid first line supervisors, which is the first level of management in the Air Traffic Organization, averaged about $220,000 a year this year. Is there anything—and I think everyone is concerned obviously with the budget concerns about cost, both salaries and otherwise within the organization—are there any efficiencies or anything that we can do to control, contain costs? I mean I understand we have a contract, but.

Mr. BABBITT. I think, well, I will let the controllers defend some of those top ends. These are typically cases where very high volume of overtime was involved. And the average pay of a controller is considerably lower than that and I am sure they will be happy to share with you the details. One thing that you should appreciate in the new agreement that we have with them, there are a number of things that we hope will bring us some efficiencies and benefit. We have a number of situations where we are going to work through things collaboratively to gain some of these efficiencies.

But also, the underlying agreement, the agreement before that reduced their pay bands by 30 percent. So some of the raises that people are talking about are simply a restoration, which is only about half of what they had. So yes, they are coming back, but it is a restoration of reductions, pretty, dramatic reductions in the past agreement. So those top salaries, the other thing with these pay bands being lower, those top pay bands and those senior controllers were, I think the term red circled, they were locked in at the top. As they retire, then we begin to get the advantage as we roll out, the future controllers will be on a more moderated rise. And, Hank, did you want to add any?

Mr. KRAKOWSKI. I mean your costs naturally reduce. We do have a significantly older workforce with the air traffic controllers. The retirement issue has been a big driver for some of the strain we have had on the system. That is going to continue for the next probably eight years, where we are going to see a lot of people go off the top as they hit the retirement age. They do get replaced by lower earning controllers because they are earlier in their career, so there is going to be some savings in there. We are always looking for efficiencies wherever we can.

Mr. LATHAM. Does the projections, do they include or take into consideration all the articles of the contracts and the new training, the NextGen involvement requirements, or is it just strictly pay? I mean because you could get in a situation where you are, maybe the equipment is not ready but you have got people there and you are going to have to pay them no matter whether they actually have a job or not. Do your projections include all that?

Mr. KRAKOWSKI. Yes, the cost of the contract, the work rules, are baked into that as well, so relative to the budget.

CONTROLLER PLACEMENT ISSUES

Mr. LATHAM. But that takes into consideration all the potential, okay. In your testimony, you talked about the fact that you have hired over 7,000 I think new air traffic controllers in the past few years, and not one of the controllers were placed in a facility based on their ability to perform as a controller, I think which is interesting, even if they are going to some of the most difficult places like Atlanta and Chicago and New York. Is it in the contract or why cannot you place people because of their merits, it does not matter where they are in the class or whatever, it is basically where they choose to go is where they go?

Mr. BABBITT. Well, there are a couple of issues there. We have, first off I think we can talk a little bit after I sort of give you the overview about some programs we are doing to make some changes. But coming out of the period of that last agreement, we did suffer a high level of attrition, and we did not have the ability necessarily to incentivize experienced controllers to go into these complicated level 12 type towers.

And we did, and not to anybody's particular benefit I would say, put newly hired controllers into those environments. It was not the wise thing for us to do. However, when you have a vacancy and no one else will fill it, we did not have too many choices, and so we exposed people. Today, under this new agreement, I think we have a much better ability to incentivize people to go into these. We have some other programs, and, Hank, you may want to expand a little bit?

Mr. KRAKOWSKI. Yes, I think one thing that is important to know is, only about 10 percent of a controller's training occurs at the academy. The other 90 percent actually occurs with OJT at the facility itself.

Mr. LATHAM. How long does that take?

Mr. KRAKOWSKI. Two years typically for a tower local radar controller and terminal controller. About three years for the en route centers. And we have been hitting those numbers pretty well actually, even with the newer workforce. So we also, to the extent we can, would like to place our students where they want to live, and a lot of them would like to live locally. So if they are successful basically at the academy, we would like to put them in their hometown or wherever it is. So I think the new training programs that we are doing, some of the things Randy talked about, helps get us healthier in that whole environment.

Mr. LATHAM. But you still cannot tell someone where they, they basically go where they choose to go rather than?

Mr. KRAKOWSKI. We can tell them. We give them preference and we try to honor their preference.

Mr. LATHAM. Okay. I mean is there any—I would hope not but—any real safety concern, I mean when you talk about the highest traffic places, whether you talk about Atlanta, New York, Chicago or whatever, that you are having these people?

Mr. KRAKOWSKI. There has been no evidence of any particular differentiation of the new workforce having more operational errors than the older workforce at all. I will tell you, we have had some people, like a new hire off the street, hire in Chicago O'Hare Tower who certified in a year. He was like one of these naturals that, you know, really impressed everybody and he is extremely, extremely good. So, it is interesting, you do not necessarily always have to go through a standard apprenticeship. If someone can excel and really prove themselves in the system, we would like to accelerate them into the higher facilities.

Mr. BABBITT. I think it is worth noting too that there is a natural protection that, sometimes they do not make it, and we do not turn them loose. I mean they are given a period of time and if they cannot——

Mr. LATHAM. I hope it is not, you know, my family's flight or me on that plane when they just happen to not make it.

Mr. BABBITT. No, but they would have a professional controller with them at all times, they are not making those decisions independently.

Mr. LATHAM. Right.

Mr. BABBITT. And if they are not making the progress, they simply do not get certified and therefore they never get put in that position. So it is unfortunate, we have an investment in them at that point in time and that is unfortunate for both of us, but it happens.

Mr. LATHAM. I mean they do an incredible job.

Mr. BABBITT. Yes they do.

Mr. LATHAM. And it is amazing to me when you see the map and you see how many planes are in the air at one time in this country, and to think that they are being controlled, and they do an outstanding job. I think with that, Mr. Chairman, I will wait until my next round, I will not use my whole ten minutes, how is that?

Mr. OLVER. Okay. Mr. Berry.

Mr. BERRY. No questions.

Mr. OLVER. Mr. Carter.

ARRA JOB CREATION

Mr. CARTER. You stated that through the stimulus package you were able to create new jobs, I think that was one of the things you pointed out. What kind of jobs did you create? And especially in light of at the same time you pointed out you had decreasing air traffic, so can you tell me a little bit about the jobs that were created by the stimulus package?

Mr. BABBITT. Sure. Within the stimulus package we were granted $1.1 billion, [CLERK'S NOTE—Later corrected to "$1.3 billion,"] which we have allocated every dime, those are out, those projects are more than 60 percent completed now. These jobs, I think more than 1,000 different projects at 360 different airports around the nation, have been everything from increasing runway safety areas, aging facilities. Some of that money, some small amount of that money, was allocated internally to us for our own facilities, mold remediation, older buildings, and older equipment upgrades. So I think this money, particularly in the airport environment, has created a substantial amount of new jobs.

We have an advantage that with our AIP process we have our jobs in queue, so they are literally shovel ready. They have already had environmental approvals, they have had airport plan approvals, they are very consistent, it is just a matter of when we get the money. What we were able to do is take some of our AIP projects and say, "look these are eligible and meet the criteria of the Recovery Act," and we just instead of waiting for the AIP queue we pushed them over into the Recovery Act and were able to go very quickly, an advantage that we had the way we are structured within the FAA.

Mr. CARTER. Are those ongoing, long term jobs or are those like contract jobs that you do the work and then it is over? Just curious.

Mr. BABBITT. Well, there are actually both. Some of them are very long term projects, meaning it might take a year or two to renovate a runway, to build a new tower, to build a new ramp. Others were very short term projects. We had some projects in Alaska where you might do something, put a contract out, the project was completed within six months. So there is a variation. We could certainly get you a report if you would like that would lay out those that have, how much time is left, where they were by facility and location.

[The information follows:]

REPORT ON ARRA-CREATED JOBS—STATUS UPDATED APRIL 5, 2010

An estimated 6,000 jobs were created as of the quarterly reporting cycle that opened in January 2010. The next reports are due April 10, 2010.

AGENCY BUDGET CUTS

Mr. CARTER. Well, you are very fortunate to have shovel ready jobs that were really shovel ready jobs, because we have had things that almost were that we are still waiting on some of this. If you were required to do a 1 percent budget cut, where would you do it?

Mr. BABBITT. Well, that would be a very difficult question. I would certainly want to look over what my options were, but I would say we have had a number of initiatives where we have actually been finding savings. We have, through wise consolidations and reviews, been streamlining internally where we can. I am very pleased that we have several initiatives where we work across lines of business now. I am trying to break some of these stove pipes down and maximize the efficiency that we have internally.

I.T. presents a wonderful challenge and an opportunity, because we have found areas where over time we have wound up with redundant equipment, we can eliminate some of it, we can eliminate the maintenance of it and the acquisition of it. So, you know, I would not look forward to that opportunity to find 1 percent, but I am sure that we could find ways to not compromise our safety nor our workforce, but it would be a challenge, that is for sure.

Mr. CARTER. Thank you, Mr. Chairman.

Mr. OLVER. Mr. LaTourette.

BILATERAL AGREEMENTS

Mr. LATOURETTE. Thank you very much. Aside from the tension that may be created by the House bill on repair stations, are there any other hotspots in our bilateral agreements? I traveled with the Aviation Subcommittee last year and there was some difficulty with code share arrangements down in Panama, and I can remember a number of years ago there was a problem with our ability to get into Heathrow and get slots at business friendly time—I mean you could go there and get there in the middle of the afternoon if you wanted to but you could not get there in the morning. And any big sticking points in the bilaterals that you are seeing?

Mr. BABBITT. Well, the types of things that affect us would not fall under some of the things you described, those would be either State Department or Department of Transportation issues, how you arrange those code share agreements. We actually have a fairly robust arrangement with bilaterals for aviation safety coordination, and we have memorandums of understanding with a number of countries, countries that we operate in, we inspect, and, John, you may want to expand a little bit on some of our international arrangements with our safety partners?

Mr. HICKEY. Yes, sir. I would actually, say quite contrary, the nature of the bilateral agreements is actually quite a tremendous benefit for us. The previous question was regarding efficiencies that the Administrator mentioned, this provides tremendous efficiencies for the FAA when we have a bilateral agreement with, for example, Canada or individual countries in Europe or Asia, because we have assessed those countries in their capabilities to be the FAA, and we have found many of them to be quite adequate.

In the case of the European agreement, I might add it has been signed but it has not been implemented because of the waiting to see what happens on the reauthorization. There are tremendous benefits to the United States if that agreement goes through. A lot of the U.S. companies today, whether it is Boeing or engine companies or many of the smaller companies in Wichita, are currently paying significant fees by the Europeans, and an agreement would help sort of bring those down to a more reasonable level.

SAFETY

Mr. LATOURETTE. Right. Well, while we are on safety, coming back to the United States, I saw some place that 50 percent of the U.S. departures and about a quarter of the traveling public in the United States are coming from these low-cost, short-haul airlines, and so just since, Mr. Hickey, you appear to be the safety guy, something about what if any emphasis you are putting on that. And then two, something that was in the news a little while ago was laptops in the cockpit, and maybe if you could chat with us about that as well?

Mr. BABBITT. Sure. Well, you are absolutely right, the dropoff in traffic has inspired carriers to sort of shift where their carriers operate and where their service goes, and they have, in fact, allocated a larger share of where they pick up traffic in smaller communities and bringing them into the hubs, they use their bigger machines to fly longer range intercontinental. We have, as a result of a tragedy, in the Colgan accident, had a Call to Action and put a lot of focus on a number of reforms, including several changes, regulatory requirements, peak management which is now undergoing executive review, our flight time and duty rule, that is in executive review today.

We have had a Call to Action, we had visits to twelve different parts of the country, the Secretary and I both participated in those. I think we have had a lot of very positive things come out, a renewed focus on professionalism. It is disappointing when shifting to the distraction in the cockpit where people did have a couple of laptops out, not doing business issues with them but distracted, that was certainly a disappointment to me. It lead to the revocation of some pilot certificates.

So we have a number of initiatives that are out there. I think we have gotten a lot of people's attention, I think every one of our carriers now we ask them all to adopt and they have responded for the most part. Ninety-nine percent of the people traveling today are going to travel on a carrier that has an aviation safety action program, a focal program. These are all great data points, safety points generated for us. So we are making progress.

Mr. LATOURETTE. I think the one example where the guys, you know, kept flying, I understand that their licenses were suspended, but is there a rule that you have put in place as a result of that in terms of laptops in the cockpit?

Mr. BABBITT. Well, most of the carriers have policy rules that you do not allow newspapers. I mean any of these things would be a distraction. Laptops, actually some of them, electronic flight bags, are authorized but they are for the purpose of work. We carry electronic flight bags for aircraft manuals, there are a lot of things. Some of the carriers rely on a paperless cockpit. John, did you?

Mr. LATOURETTE. Right.

Mr. HICKEY. Yes, I would like to add to the Administrator's comments. You know, a broad brush prohibition against all that equipment is probably ill advised. There are many pieces of equipment that are used that have very important functions for flight. What we did do shortly after the Minneapolis incident is we put out what we call a SAFO, it is a Safety Alert For Operations, and we again reminded pilots that the only equipment and the only material that should be in a cockpit should be flight related equipment. And so we want to remind them that this other kinds of stuff that were in the news is not appropriate for the cockpit.

Mr. LATOURETTE. Thank you so much.

COLLECTIVE BARGAINING UNIT EMPLOYEE STAFFING NUMBERS

Mr. OLVER. Very briefly, how many employees do you have who come under collective bargaining agreements at the FAA?

Mr. BABBITT. We have a total of about, round numbers, 48,000 total employees of which close to 30,000 are covered by 29 different collective bargaining agreements. 30,000 employees are covered, round numbers, 15,000 are not.

Mr. OLVER. And what is the rough number for the traffic controllers?

Mr. BABBITT. About 15,000 air traffic controllers. So they are about half.

Mr. OLVER. I had heard 20,000 somewhere. I had heard 20,000 somewhere, that is good. What is the next largest one?

Mr. BABBITT. Well, we have other units. We have obviously our inspector corps.

Mr. OLVER. And how large is that?

Mr. BABBITT. 6,000.

Mr. OLVER. Roughly 6,000. What is the next largest?

Mr. BABBITT. There would be airway specialists, where people who take care of the equipment, the radars, the ILS equipment.

Mr. OLVER. And how many are there there?

Mr. BABBITT. 4,000.

Mr. OLVER. 4,000?
Mr. BABBITT. About 4,000.
[The information follows:]

UNION WORKFORCES

As of March 18, 2010 there were 48,249 employees on board in the FAA. Of this total, 36,594 employees — about 76 percent of the total FAA workforce — were in 41 separate bargaining units represented by 8 unions.

Following is a table summarizing the numbers of FAA employees represented by organized labor unions. To reflect the agency reorganization that created the Air Traffic Organization, the subtotals comprised by the two largest unions (NATCA and PASS) have been configured to show the Line of Business of the employees represented.

Union	Bargaining Units	Labor Agreements	Employees Represented
TOTAL OF ALL UNIONS	**41**	**29**	**36,594**
AFGE	**9**	**6**	**1,886**
AFSCME (HQ)	**1**	**1**	**2,270**
LIUNA	**1**	**1**	**175**
NAGE	**3**	**3**	**327**

Table cont'd next page

	Bargaining Units	Labor Agreements	Employees Represented
NATCA, of which:	**15**	**9**	**19,862**
ATO (Air Traffic)	6	4	18,376
AVS (Aviation Safety)	4	3 +*1	759
ARP (Airports)	1	*1	301
ABA (Financial Services)	1	*1	99
ARC (Region & Center Ops)	1	*1	294
AGC (Counsel)	1	*1	33
NFFE	**3**	**2**	**637**
PAACE	**4**	**3**	**375**
PASS, of which:	**5**	**4**	**11,062**
ATO (Air Traffic)	2	2	7,237
AVS (Aviation Safety)	3	2	3,825

* A single NATCA "Multi-Unit" agreement covers five bargaining units of ABA, ARC, AGC, ARP and AVS employees.

AFGE - American Federation of Government Employees
AFSCME - American Federation of State, County, and Municipal Employees
LIUNA - Laborers' International Union of North America
NAGE - National Association of Government Employees
NATCA - National Air Traffic Controllers Association
NFFE - National Federation of Federal Employees
PAACE - Professional Association of Aeronautical Center Employees
PASS - Professional Aviation Safety Specialists

Mr. OLVER. All right, maybe you could get that 48,000, give me a clear listing. I have got it down as 15, 6, and 4 at least for three and then I do not want to go on farther. I want to take on a different matter. A new acronym—we have had I do not know how many acronyms, I asked Kate whether we had a catalogue of them and she said yes there is a manual of acronyms. The idea that there is a manual of acronyms rather than just one page, you know, maybe it is just a long page, I do not know.

TERMINAL AUTOMATION MODERNIZATION REPLACEMENT (TAMR)

I want to take up the Terminal Automation Modernization Replacement Program, which is TAMR, T-A-M-R. Under that program, phase 1 includes the replacement of radar processing equipment displays at 47 of our terminal radar control facilities with STARS equipment, with the TRACONs with STARS equipment. Phase 2 of that TAMR program replace systems at five additional tracons and modernize four large ones, Denver, Chicago, St. Louis, and Minneapolis.

Now, it is my understanding that the current STARS system can serve as a platform to implement the RTCA, Radio Technical Commission for Aeronautics, task force recommendations for NextGen. Phase 3 of TAMR is supposed to update the automation systems at 106 lower level facilities that currently operate using what is called the Common Arts Platform. What is the FAA's plan to upgrade the automation systems at the 106 TRACON facilities so that they are compatible with ADS–B and NextGen technologies?

Mr. BABBITT. I am going to let Hank answer this one.

Mr. KRAKOWSKI. Right. It is a fairly complicated proposition that is under discussion right now. I would like to offer a more detailed briefing when you would like to have it. We are at a decision point, we are aiming to make a decision by the end of this fiscal year to figure out whether we are going to replace these hundred plus areas with a one for one with TAMR or whether we are going to converge them toward the ERAM platforms at our centers as kind of the backbone of this thing. So without getting through a lot of technical detail on it, that discussion is ongoing right now. I would like to give you a status update and I know some of your staff is interested in this as well.

Mr. OLVER. So you are thinking of kind of overrunning the TAMR or terminating the TAMR, is what that sounds like, and going on to ERAM, that is what it sounds like. My understanding is that you put out a request for information to replace all of the FAA's terminal automation system including all the STARS systems, which are relatively new, those were done in phase 1 and phase 2, during the timeframe that I have been either the Ranking Member or the Chairman of this Subcommittee.

That is quite a big investment that has gone into phase 1 and phase 2, and the RTCA recommendations, it seems to me, say that those are adequate certainly in at least the near and midterm operations. So does it make sense to be thinking about replacing all of the old ones, which is what, maybe I am incorrect regarding the information that was sent out in the request for information to replace all of those facilities, or is that part of the next seminar?

Mr. KRAKOWSKI. Well, I think it would be useful to have it there, and I also want to throw this over to Vicki here too because one of the things that we are trying to avoid is putting some technology in place and some expenditures in place now that would then be obviated by the newer technologies, the NextGen technologies going forward. So we are trying to figure out where that spot is, do we make big investments that have not as long a lifespan or do we actually try to converge it into the longer NextGen platforms.

Ms. COX. So, sir, if you would like for me to try to——

Mr. OLVER. This is another level, this is now part of this three-dimensional matrix.

Ms. COX. So there are three potential solutions that are being assessed in TAMR phase 3. Just one of them looks at the potential ERAM involvement as a common automation platform, which would address future NextGen needs. But STARS is being considered as also the potential automation platform for the terminal environment to assess if it will meet the future NextGen needs down the road. And the third option looks at how we can handle the current common ARTS, the two E ARTS, at some of the smallest facilities that we have and what is the best way forward with addressing ADS–B placement on those when future facilities may not require that at all.

So part of what is being looked at is what is called a backroom way of addressing it, where the software is done in a central location but a display is produced at the actual facility, the smaller facility, so you have a common automation system working and feeding these smaller facilities, which is another potential solution. But all these are being assessed.

Mr. OLVER. Okay, Vicki, it is clear that I have stepped in the wrong place. I have now got myself into at least two seminars, okay? All right, otherwise I will get them interconnected and confused. So, Mr. Latham.

Mr. LATHAM. After I exit ASAP.

Mr. OLVER. Mr. Berry.

Mr. BERRY. No questions.

Mr. OLVER. I do not know how we are going to schedule these things, but I have asked for it. So thank you very, very much for being here, thank you for all the work that you do. This is, I think everybody can understand, unless I have made it much more complicated than it need be, this is a very complicated process getting to the full implementation of NextGen, but I do want to see that we get this done within a ten-year period.

Mr. BABBITT. Yes, sir. If I could offer a suggestion, one of the things that we have found, I am going to suggest——

Mr. OLVER. Six to ten-year period, excuse me.

Mr. BABBITT. Well, I am going to suggest that perhaps we could arrange for a delegation from this Committee to go up to Atlantic City, and I think it would be time well spent if you would, and some of our research laboratories up there, you can see where we actually are deploying this, we have real live controllers, we have the ability to generate artificial traffic and put them in these environments, let you see these displays, let you see this architecture.

Mr. OLVER. What were the considerations that put that in Atlantic City?

Mr. BABBITT. I think it was there when I got here, so.

Mr. OLVER. I would love to know what was behind that decision.

Mr. BABBITT. Well, it has been there for decades.

Mr. OLVER. Okay, we will consider that.

Mr. BABBITT. It has been there for decades, it is about a 5,000-acre facility where we do everything from explosive testing, any number of high tech experiments.

Mr. LATHAM. It was a gamble.

Mr. OLVER. I was just wondering whether gambling arrived there first or whether?

Ms. COX. Way after.

Mr. BABBITT. Way after, way after. The alternative is Oklahoma City, we could take you there.

Mr. OLVER. Why did the gamblers end up going—oh, never mind. Okay, thank you very much for being here. The hearing is adjourned.

QFR-01
Rep. Roybal-Allard

CALIFORNIA AIR TRAFFIC CONTROL STAFFING

QUESTION: **An April 2009 report by the DOT Inspector General studied the staffing at three air traffic control facilities: LAX, the Southern California TRACON, and the northern California TRACON. The report summary stated that the FAA must take several actions in the four following areas to maximize its staffing efforts and maintain enough veteran controllers at these facilities: 1) make the TRACON facilities a top priority; 2) expand the use of relocation and retention incentives, 3) provide enough instructors and other training resources, and 4) ensure appropriate use of overtime hours. What progress has the FAA made toward following the four key recommendations in the Inspector General's report?**

ANSWER:

The actions taken by the FAA to address the four key recommendations in the Inspector General's report are described below.

(1) Make the TRACON facilities a top priority.

The FAA has made a commitment to limit the placement of new hires at more complex facilities such as Northern California TRACON (NCT) and Southern California TRACON (SCT). Consequently, new hires reporting to these facilities in FY 2010 will have either previous air traffic knowledge as a Certified Professional Controller transfer (CPC-IT), former military controller (VRA), or FAA reinstatement candidates. At the most recent Centralized Selection Panel in March 2010, eight applicants, all of whom were VRA and former FAA air traffic controllers (*reinstatement eligible)* new hire candidates were selected for SCT.

In the latter part of 2009, the FAA received 57 transfer requests from CPCs at other facilities applying for positions at SCT. In FY 2010, the facility will receive 24 CPC-ITs; 21 of whom have previous radar experience.

(2) Expand the use of relocation and retention incentives.

The FAA is reinstituting the incentive and retention bonus program. Since FY2009, the FAA has successfully used financial incentives to retain and attract 43 experienced personnel into SCT, LAX, and NCT. This program has been very successful, and FAA will continue to use these types of bonuses to attract and retain experienced personnel. Last year, FAA used a similar program at LAX that attracted seven experienced controllers.

(3) Provide enough instructors and other training resources.

The FAA has focused on training needs for large facilities that have the most new hires and training requirements, such as facilities like Southern California TRACON. In addition, the Agency continues to implement state-of-the-art simulator training, especially for major facilities such as LAX and SCT, which has the largest, most technologically advanced simulator-training lab in the country. To supplement the FAAs internal training resources, the *Air Traffic Control Optimal Training Services* (ATCOTS) contract, is working with all terminal and en route facilities to identify the resources needed, including instructors, simulators, and remote pilots.

The FAA is developing additional training to support students hired for higher level TRACON facilities (ATC levels 10, 11 and 12). The new TRACON Skill Enhancement Workshop (T-SEW) will provide students with additional knowledge and skills to better prepare students for their assigned facilities. Students will attend the T-SEW immediately after completion of the Academy's Terminal Radar course (50034). The additional three weeks will address primarily radar simulation scenarios that reflect traffic levels and complexities of ATC-10 and above TRACONs. The T-SEW will be implemented in Mid-May 2010 at the Academy. The workshop will serve as an interim measure until the new TRACON course redesign project is completed. Curriculum redesign efforts are also planned for Tower and AT Basics courses.

(4) Ensure appropriate use of overtime hours.

The FAA analyzed overtime scheduling practices to comply with the OIG's recommendations. The review found no indication of systemic problems. Managers schedule overtime in advance to ensure coverage meets air traffic demand; and to guarantee that the facility is able to perform operationally required duties, such as on-the-job-training instruction (OJTI).

The increase in overtime hours between FY 2006 and FY 2008 resulted from a combination of factors: controller retirements, influx of new hires and associated training, training for new systems and programs, and the change in credit hour policy that capped the maximum number of hours earned by air traffic controllers at 24 hours maximum.

Although the data for FY 2009 indicated a decline in overtime hours, given the nature of shift work, overtime is unlikely to be eliminated. We have identified several options to further reduce the amounts of overtime spent at the Southern and Northern California TRACONs and Los Angeles Tower. We will continue to examine potential changes to all three facility training programs over the next few years.

As FAA continues to keep new hire training a priority, overtime will be one of many resources the agency will use to further training. Overtime allows the FAA to use current controllers to train developmentals, while ensuring that the operationally required positions are staffed. This keeps a continuous flow of training, and allows the newer employees to receive training from controllers that are experienced in that facility.

LAX, SCT, and NCT are high-traffic facilities and ensuring that these operations remain appropriately staffed is vital to the safety of the air traffic system. The FAA is committed to providing the resources to ensure these facilities are able to meet traffic demand and advance the safest air traffic system in the world.

QFR-02
Rep. Roybal-Allard

CALIFORNIA AIR TRAFFIC CONTROL STAFFING

QUESTION: **An April 2009 report by the DOT Inspector General studied the staffing at three air traffic control facilities: LAX, the Southern California TRACON, and the northern California TRACON. Does the agency believe the budget request is sufficient to help meet the training and staffing needs not just of these three California facilities but of the national air traffic control system as a whole?**

ANSWER:

Yes. The request is sufficient to ensure our continued operation of the national air traffic control system.

The budget supports hiring and training new controllers in line with expected system-wide demand for ATC services. We expect to hire and train nearly 915 new controllers in FY 2011, in addition to the 7,000 new controllers we have hired over the last 5 years. With the expanded capabilities available to us with our Air Traffic Control Optimum Training Solution (ATCOTS) we expect to be able to train these new controllers to full performance level more efficiently than in the past.

We have put particular focus this year on the three California facilities, as well as several other hard to staff facilities nationwide. Ensuring these facilities are adequately staffed requires a multi-pronged approach including training, relocation incentives, and active recruitment of experienced controllers. We are moving forward in all these areas, with a special focus on training.

QFR-03
Rep. Roybal-Allard

AIR TRAFFIC CONTROLLER WORKFORCE DIVERSITY

QUESTION: **This Subcommittee has been interested in the FAA's efforts to diversify its workforce. Describe the FAA's on-going efforts to diversify the air traffic controller workforce and what outreach efforts you are undertaking in Latino communities and the effectiveness of those outreach efforts?**

ANSWER:

The FAA develops marketing, outreach, and recruitment strategies that are used to attract a broad-based applicant pool, with the objective of increasing participation rates in the workforce. The following are some of the strategies used to increase the number of diverse applicants.

- FAA posts job announcements on the FAA and the Office of Personnel Management's Job Web sites, as well as on Internet provider sites, to reach individuals who use the internet to search for jobs.

- FAA places advertisements about hiring initiatives on morning drive time radio, local television, airport dioramas and buses. The radio ads are placed with stations that serve a variety of communities and listener formats such as: country western, news talk, sports, urban contemporary, R&B, and stations featuring Hispanic radio personalities. This effort has been particularly effective in large urban markets to educate the general public about the FAA and aviation occupations.

- FAA places advertisements in newspapers and magazines designed to reach and attract a broader potential applicant pool such as the Native American Times, Asian Weekly, Latina, Minority Career, Atlanta Latino, and Birmingham Times.

- FAA engages in hundreds of community outreach events, job fairs, college and university information sessions, and employee association activities each year. Our outreach efforts extend to job fairs such as the National Association of Colleges and Employers, National Association for the Advancement of Colored People Diversity Job Fair, Congressional Black Caucus Diversity job fair, The League of United Latin American Citizens, and LatPro. FAA has also sponsored aviation career information sessions in Kansas City, Chicago, and New Orleans. The FAA participated in the Women for Hire/Good Morning America job fairs (Miami, Chicago, and Boston) that have been telecast on network television. FAA has also partnered with the Women in Aviation International and the National Association of Colleges and Employers to increase awareness of aviation occupations on college and university campuses.

- The FAA's Minority Serving Institutions Internship Program provides college juniors, seniors, and graduate students with a grade point average of 3.0 and above an internship opportunity.

- The Collegiate Training Initiative (CTI) program was established in 1990 to supplement existing air traffic controller specialist hiring with students educated at universities and colleges whose aviation curriculum has been approved by the FAA. These schools are accredited and offer a non-engineering aviation degree in aviation programs. Currently, 30 schools participate in the program, 1 of which is a Historically Black College or University – Hampton University - and 11 are Hispanic Serving Institutions (HSI). In addition the Technical Operations CTI (TO-CTI) program has 59 TO-CTI schools, 6 of which are HSI's.

- A new FAA partnership initiated with the Department of Veterans Affairs (VA) enables veterans with disabilities to take advantage of the VA's education and vocational rehabilitation benefits while training at the FAA Academy to become an air traffic controller. In addition, FAA arranged for certification of the air traffic control specialists (ATCS) training program by VA, which allows developmental ATCS to receive Montgomery GI bill benefits while in training.

QFR-04
Rep. Roybal-Allard

HUMAN INTERVENTION MOTIVATION STUDY (HIMS)

QUESTION: **In February, Secretary LaHood committed to giving an update on the status of the Human Intervention Motivation Study (HIMS), and the Administration's efforts to expand this important substance abuse intervention program for pilots to include flight attendants. How successful has the program been for pilots and what success have you had in expanding the HIMS program to include flight attendants?**

ANSWER:

The pilot Human Intervention Motivation Study (HIMS) program has been extremely successful in identifying and treating airline pilots with substance abuse or dependence, and safely returning these pilots to the cockpit. Since its initiation in the 1970s, over 4,000 pilots have been through the program with an approximate 85% success rate.

As Flight Attendants are not medically certificated, we plan to concentrate our efforts on a Flight Attendant Drug and Alcohol Program focusing on outreach, identification and education. A Statement of Work and Evaluation Plan has been developed for this program. The FAA expects to award this multi-year contract in the fourth quarter of FY 2010.

QFR-05
Rep. Roybal-Allard

KIDS IN THE CONTROL TOWER

<u>QUESTION</u>: The FAA's primary responsibility is to insure the safety of the travelling public. News reports of a controller who let his children communicate with pilots and relay directions is outrageous. The thought that anyone other than a trained professional was speaking to a working flight crew is spine chilling. What steps is the FAA taking to correct the culture that allowed an air traffic controller to think it was OK to have a non-trained person provide directions to flying aircraft, not to mention children?

<u>ANSWER</u>:

After the incident, the FAA promptly issued a General Notice to All Employees (GENOT) prohibiting unofficial visitors from access to any area of a facility that performs air traffic services or any area of a facility that houses equipment that performs air traffic services for 90 days.

Immediately after learning of the occurrence on March 3, 2010, the Vice President of Terminal Services, Steve Osterdahl, conducted a voice teleconference with all Directors and District Managers on professional performance and behavior in our air traffic control towers. He also reinforced his expectations that all levels of management enforce and promote a culture that emphasizes operational discipline at all levels.

During the week of April 26, 2010, FAA will be provided mandatory safety culture training for all 39 of our Terminal Services District Managers. Also, in May the FAA Air Traffic Safety Action Program will cover these topics. We will determine additional steps/actions to modify our culture, once we determine the results of the current investigation on this matter.

QFR-06
Rep. Roybal-Allard

KIDS IN THE CONTROL TOWER

QUESTION: **The FAA's primary responsibility is to insure the safety of the travelling public. News reports of a controller who let his children communicate with pilots and relay directions is outrageous. The thought that anyone other than a trained professional was speaking to a working flight crew is spine chilling. Did the FAA's investigation into the matter indicate this was an isolated incident affecting only the supervisor and staff of one tower or did it reveal a larger, system-wide problem of lack of proper supervision and sound judgment?**

ANSWER:

The FAA is still investigating the events that occurred in mid-February at New York's John F. Kennedy Airport. At this point, we do not have any indications that this type of event is indicative of a system-wide problem. The Air Traffic Control system is run by a team of professionals who safely control our nation's skies every single day. This kind of behavior does not reflect the true caliber of our workforce.

QFR-07
Rep. LaTourette

HELICOPTER MEDICAL SERVICES (HEMS)

QUESTION: **For the past couple of years, I've heard from local hospital providers about regulatory oversight of helicopter medical transport. I understand there have been several state laws governing Helicopter Medical Services (HMS), with legal challenges to these laws under the federal Airline Deregulation Act's (ADA) preemption provision.**

I am concerned about an apparent lack of clarity between federal government regulating the aviation aspects of HMS and the states regulating the medical aspects, and how this dual responsibility may threaten patient safety, the quality of patient care, and the coordination of services.

Does FAA intend to issue a regulation requiring helicopter emergency medical services (HEMS) operators to meet the equipment, training and other requirements recently recommended by the National Transportation Safety Board (NTSB)? If not, why not, and what sort of timelines can we expect to see for these regulations?

ANSWER:

The FAA has a rulemaking project underway that will address a number of equipment related items, certain training, and other operational requirements for the helicopter air ambulance operator. We plan to publish a notice of proposed rulemaking for public comment sometime in 2010.

THURSDAY, MARCH 18, 2010.

MAINTAINING A SAFE AND VIABLE AVIATION SYSTEM: PRIORITIES FROM AVIATION STAKEHOLDERS

WITNESSES

GINA MARIE LINDSEY, EXECUTIVE DIRECTOR, LOS ANGELES WORLD AIRPORTS

TRISH GILBERT, EXECUTIVE VICE PRESIDENT, NATIONAL AIR TRAFFIC CONTROLLERS ASSOCIATION

PETE BUNCE, PRESIDENT AND CHIEF EXECUTIVE OFFICER, GENERAL AVIATION AND MANUFACTURERS ASSOCIATION

JAMES C. MAY, PRESIDENT AND CHIEF EXECUTIVE OFFICER, AIR TRANSPORT ASSOCIATION

MARGARET JENNY, PRESIDENT, RTCA

CHAIRMAN OLVER'S OPENING REMARKS

Mr. OLVER. The subcommittee will come to order. There are people who are going to be returning from the vote that was going on on the floor. Sometimes the elevators get clogged at that circumstance, but we are going to start.

This morning we heard testimony from the administrator, Randy Babbitt, on the FAA's fiscal year 2011 budget request. So we are now going to hear outside feedback from five experts within the aviation industry. We have Gina Marie Lindsey, Executive Director of Los Angeles World Airports.

Trish Gilbert is the Executive Vice President of the National Air Traffic Controllers Association, Peter Bunce is the President and Chief Executive Officer of the General Aviation Manufacturers Association. Jim May is President and Chief Executive Officer of the Air Transport Association. And Margaret Jenny is the President of RTCA, which it took me awhile to find out exactly what RTCA was.

Thank you all for being with us today. I look forward to hearing your comments on the FAA's budget request, as well as the challenges facing our aviation system. As practitioners in the field, you have practical insight into FAA's programs. That is valuable to this committee as we perform oversight of the execution of FAA safety programs and the implementation of the NextGen aviation system.

As we have a lot to talk about, I will be short and turn it over to my Ranking Member, Tom Latham, for any comments he would like to make.

RANKING MEMBER LATHAM'S OPENING REMARKS

Mr. LATHAM. Thank you, Mr. Chairman. And I too will be short, and welcome the panel. As I said this morning, I am extremely disappointed at the progress the FAA has made on the NextGen, considering the billions of dollars that have been poured into it so far. I am very interested in hearing the opinions of our witnesses today to determine how we get away from the past failures and create a new NextGen system that will deliver actual quantifiable benefits for the future without wasting taxpayer dollars.

You each bring a unique perspective to the issue to our subcommittee, and I look forward to hearing your statements. And with that, I will yield back, Mr. Chairman.

Mr. OLVER. As a panel, all of your written statements will be printed in the record, and I would ask you, because we have five people and would like to get to questions, and it looks as if there may be an important set of caucuses going on at about 4 o'clock, we are going to try to get through some questioning, and maybe even be done, by 4:00 or very shortly thereafter.

So if you could keep your remarks to the five minutes, I am going to be fairly strict. That thing starts green, goes to yellow, and then to red, and you should be done within 15 or 20 seconds after it goes red.

Thank you. We will start with Gina Marie Lindsey.

MS. LINDSEY'S OPENING REMARKS

Ms. LINDSEY. Thank you, Chairman Olver, Ranking Member Latham, and my own home congresswoman, Ms. Roybal-Allard, and the rest of the committee when they come in. I am delighted to be here. Thank you for the invitation, and I appreciate it very much. I am the Executive Director of Los Angeles World Airports, which is a collection of airports, one of which is LAX.

On a flight back to L.A. last week, I read Tom Friedman's op-ed article, and he wrote about his recent visit to LAX. He wrote, "Walking through its faded, cramped domestic terminal, I got the feeling of a place that once thought of itself as modern, but has had one too many facelifts, and simply cannot hide the wrinkles anymore. In some ways LAX is like us. We are the United States of deferred maintenance." Mr. Friedman went on to say, "While others save, invest, and build, we have spent, borrowed, and patched."

Now as the CEO of LAX, those words struck right to my very core. LAX, I have learned in my two and a half years of being there, is an extraordinary example of deferred maintenance. What was once a cutting edge transportation icon is now reduced to an often repeated characterization of an airport with a set of drab, dingy terminals connected by a traffic jam. Whereas that might in some instances elicit a chuckle, it is all too sadly true.

I am pleased to say under the leadership of our mayor, Antonio Villaraigosa, we have begun to set things in motion to rebuild and repair, but we are going to need your help. First, though, a note of gratitude for this committee's action, including AIP funds in the airport, or the American Recovery Act, ARRA—this enabled FAA to get out an extra $1 billion for airports. And I do need to throw a rose to FAA. They did an incredible job evaluating priorities, determining all of those jobs that were shovel-ready and actually getting the grants out the door.

This and the alternative minimum tax holiday, which allowed LAX and other airports throughout the nation to save quite a bit of money on debt issuance and financing costs—these are all very important.

However, in Mr. Friedman's United States of Deferred Maintenance, the needs cannot be fully addressed by a temporary holiday in the AMT and $1 billion of AIP grants that were split between 360 projects. The President's proposed budget for the FAA makes clear his understanding of the realities facing America's aviation system quite literally. Our national economy is dependent on the fundamental vitality of the airport facilities, and safe, efficient air traffic management.

In particular, as Ranking Member Latham noted, the President's proposed budget does address the huge and complex near-term challenges of NextGen, but we do have to hold FAA's feet to the fire, that the progress made is commensurate with the appropriations that you are able to give. Our air traffic management system, once I would say the paragon of innovation and efficiency in the world, is slipping behind emerging countries who quickly embrace new technologies while we demur, debate, study, and restudy before we embrace and implement the NextGen equipment and processes.

The budget also includes funding for FAA's airport safety and infrastructure programs. Currently, there are about 3,400 airports and proposed airports that are eligible for AIP grants. Over the years, the formula for distributing these grants has morphed to favor smaller airports, leaving larger airports scrambling to fend for themselves.

Just as an example, over the last five years, large hub airports, which by the way would be the top—the busiest 33 airports in the nation—have handled 85 percent of all the air traffic, but received only 18½ percent of all of the AIP grants. During times of reliable annual increases in passengers and traffic, the scramble for infrastructure dollars, while difficult, was nonetheless achievable. But in an era of no to slow growth, scrambling just does not yield what it used to.

While part of our nation's economic strength is rooted in a broad set of aviation capabilities in the air and on the ground—and AIP, by the way, has been very critical to that—it is not clear to me that the current formulas and priorities for distributing AIP are well matched to the infrastructure, repair, and reinvestment needs of the future.

Are we directing AIP monies to the most critical airport infrastructure needs, to the airports that are most pivotal in maintaining the integrity of future air commerce? We need your help in examining the merits, and yes, the demerits, of the current formula for distributing AIP dollars.

Large airports are looking at a confluence of storms. On the one hand, taxes collected at their facilities are subsidizing AIP entitlement funding to small low-volume airports. On the other hand, if large airports then turn for solace to the PFCs, a discretionary, locally imposed user fee, they run directly into another costly federal reality. Although it is locally imposed, it has been federally limited to $4.50 per passenger since the year 2000. And if imposed, it requires the airport to relinquish 75 percent of its AIP entitlement funding.

While FAA reauthorization is not in the direct purview of this subcommittee, on behalf of the 59 million passengers that will use

LAX this year, I hope the bill can come to the floor quickly. I cannot overstate the importance of this action at LAX, an airport with over 30 years of deferred maintenance and obsolete facilities. Every $1 increase in the PFC translates into $300 million of additional capital capacity, which yields 2,400 new jobs, new, good, high-paying construction jobs.

As large airports look to the days immediately ahead, your help will be critical on three fronts. The first is to secure and fully fund the airport improvement program. The second is please do not let the AMT holiday that you approved in the ARRA expire in December of this year. Thirdly, please add your voice to the bully pulpit on behalf of an increased PFC. This increase will be every bit as important for large airports as AIP is for small airports.

Now I do know that these requests—sir. Airports need to do what so many Americans are learning to do, and that is do more with less. I am confident we can do that with your help in being able to have the maximum tools and leveraging our revenue stream. Thank you.

[The information follows:]

Statement of Gina Marie Lindsey, Executive Director, Los Angeles World Airports - 18 March 2010

To: House Sub-Committee for Transportation, Housing and Urban Development/ Appropriations Committee

Thank you Chairman Olver, Ranking member Latham and all of the members of this subcommittee for the invitation to speak before you today. I am Gina Marie Lindsey, Executive Director of Los Angeles World Airports, known to the Los Angeles cognoscenti as "LAWA". We are 3500 employees distributed among 3 airports, one of which is LAX.

On a flight back to LA last week, I read Tom Friedman's Op-ed piece in the New York Times about his recent visit to LAX. He wrote, "Walking through its faded, cramped domestic terminal, I got the feeling of a place that once thought of itself as modern but has had one too many facelifts and simply can't hide the wrinkles anymore. In some ways, LAX is like us. We are the United States of Deferred Maintenance." He went on to say while others, "save, invest and build" we have spent, borrowed and patched.

As CEO of LAX, those words struck straight to the heart. Tom Friedman is right. And it's long past time to do something about it.

LAX, I have learned since taking my post 2 and half years ago, is an extraordinary example of deferred maintenance. What was once a cutting edge transportation icon is now reduced to an often repeated characterization of an airport with a set of drab, dingy terminals connected by a traffic-jam. While there's a chuckle in that, it also contains a significant element of truth.

I am pleased to say that, under the leadership of Mayor Antonio Villaraigosa we have begun to set things in motion to rebuild and repair. But we are going to need your help.

I should first acknowledge here that this Committee demonstrated great leadership and assistance to airports in the American Recovery & Reinvestment Act by approving the Alternative Minimum Tax holiday through December, 2010. In the 13 months since the ARRA passage, airports have marketed $10 billion of airport revenue bonds, $6.8 billion of those directly benefited from the AMT holiday by saving airports $635 million in what otherwise would have been additional financing and debt costs. That savings can now be used for tangible infrastructure improvements – steel, concrete, upgraded electrical systems and reconstructed roadways -- rather than debt service and financing costs. To LAX alone, this has yielded $25 million in savings on our 2009 bond sale. We expect slightly over $100 million in savings for the issuance we're taking to market next week.

In addition, this Committee's action including new AIP funds in the ARRA enabled the FAA to obligate an extra $1 billion to airports. I need to throw a rose to FAA, who did an incredible job evaluating the many airport projects that were "shovel ready", setting priorities, and getting the grants out the door in record time. The FAA staff did an amazing job, but their great work would not have been possible without this Committee's support and approval for stimulus assistance.

Thank you. Both of these actions were helpful to airports. And yet in Mr. Friedman's "United States of Deferred Maintenance", the needs cannot be fully addressed with a temporary AMT holiday and a billion of additional AIP funding split between 360 projects.

The President's proposed budget for the FAA makes clear his understanding of the realities facing America's aviation system. Quite literally, our national economy is dependant on the fundamental vitality of airport facilities, and safe, efficient air traffic management.

In particular, the President's budget addresses the huge and complex near-term demands of the NextGen program. This budget's 30% increase in funding is an essential instrument to tackle the less than optimal procedures used to work around the realities of obsolete equipment. Our air traffic management system, once the paragon of innovation and efficiency for the world, is slipping behind emerging countries who quickly embrace new technologies while we demur, debate, study and re-study before investing in and implementing Next Generation equipment and processes.

This budget also continues funding for FAA's airport safety and infrastructure programs. Currently there are about 3,400 existing and proposed airports eligible for Airport Improvement Program grants. Over the years the formula for distributing these grants has morphed to favor smaller airports, leaving larger airports scrambling to fend for themselves -- over the last 5 years, Large Hub airports (that would be the busiest 33 airports in the nation) handled 85% of all air traffic but received only 18.5% of the AIP grants.

During times of reliable annual increases in passengers, the scramble for infrastructure dollars, while difficult, was nonetheless achievable.

But, in an era of no to slow growth, scrambling just doesn't yield what it used to. While part of our nation's economic strength is rooted in a broad set of aviation capabilities in the air and on the ground – and AIP has been critical to that achievement, it is not clear to me that the current formulas and priorities for distributing AIP grants are well-matched to the infrastructure repair and reinvestment needs of the future. Are we directing AIP monies to the most critical airport infrastructure needs? To the airports that are most pivotal in maintaining the integrity of future air commerce?

We need your help in examining the merits and, yes, the demerits, of the current formula for the distribution of AIP dollars. I do not believe that, today, they are yielding the highest potential return to our industry and the economy and jobs that depend on it.

Large airports are looking at a confluence of storms. On the one hand, taxes collected at their facilities are massively subsidizing AIP entitlement funding to small, very low volume airports. If large airports then turn for solace to PFCs, a discretionary, locally imposed user fee, they run directly into another costly Federal reality. Although it is a locally imposed user fee, it has been federally limited to $4.50 per passenger since 2000 and, if imposed, requires that the airport relinquish 75% of its AIP entitlement funding.

As luck would have it, in addition to the debate on aviation funding through federal appropriations, Congress is also considering an FAA Reauthorization Bill. While FAA Reauthorization is not in the direct purview of this subcommittee, on behalf of the 59MM passengers who will use LAX this year, I hope that the bill can come to the floor for action quickly. Last I heard the House bill contemplates the first increase in the PFC limit since 2000. I cannot overstate the importance of this action. At LAX – an airport with 30 years of deferred maintenance and a legion of obsolete facilities, every 1 dollar increase in the PFC yields $300MM in additional construction capacity. That kind of additional construction helps make real the promise of a restored and modernized LAX. It also makes very real 2,400 new, quality jobs.

As the large airports look to the days immediately ahead, your help will be critical on four fronts:

The first is to secure a fully funded AIP.

The second is to make public use airport project financing permanently exempt from the Alternative Minimum Tax – don't let the AMT holiday you approved in the ARRA expire in December of this year.

Thirdly, please add your voice and bully pulpit on behalf of an increased PFC. This increase will be every bit as important for large airports as the AIP is for small and medium facilities.

Lastly, along with our gratitude for the 30% increase on behalf of NextGen, comes the hope that you hold the FAA accountable for actually delivering the technology improvements quickly.

I know that these requests bring with them a considerable body of complex and difficult work. John Galbraith said that, "politics consists of choosing between the disastrous and the unpalatable". In a world where each of us must deliver more with less, I'll lean to the unpalatable any day. Having said that, I hope you see the choices airports present to you in less starkly negative terms.

Steady growth in passenger demand has hidden a multitude of challenges that are now exposed when the tide of passengers drops. Airports must learn to do what so many American's have learned to do, live within diminished means. I'm confident that we can do just that if we are given, with your help, the means to leverage the revenue we generate.

Mr. OLVER. Thank you. Ms. Gilbert

MS. GILBERT'S OPENING REMARKS

Ms. GILBERT. Thank you, Chairman Olver, Ranking Member Latham, and Congresswoman, for allowing me to be here today and testify. I really do appreciate this opportunity. The FAA budget is of great interest to the National Air Traffic Controllers Association, whose 16,000 members make up the majority of the FAA workforce. These hardworking men and women are dedicated to safety, efficiency, and professionalism.

In October of 2009, a new contract went into effect between NATCA and the FAA. One of the major benefits of the new contract is the enhanced collaboration it provides. It establishes collaborative workgroups composed of representatives from the FAA and NATCA to address critical issues like NextGen, runway incursion prevention, professional standards, operational air reduction, and fatigue.

The budgetary submission focuses on the expense of the contract by highlighting the funds that were set aside to cover the personnel costs of the arbitration agreement. But in order to truly understand the cost of that contract, you must also understand its value. In addition to the road map to collaboration, the new contract represents the restoration of fairness, after what neutral arbitrators referred to as economic take-backs in the name of fiscal prudence that constituted unprecedented draconian reductions in compensation bordering on the unconscionable. These take-backs and the animosity that accompanied them drove many experienced controllers out of the FAA workforce.

The years under the imposed pay and working conditions saw unprecedented retirements and resignations among air traffic controllers. Now attrition has returned to normal rates, giving us the opportunity to train those that were hired to make up for the losses we incurred. The contract has stabilized the workforce, stability that is very much necessary to safely and effectively implement NextGen.

NextGen, as you know, is composed of major modernization projects for FY 2011 and beyond. NATCA is supported of the modernization of the national air space system, although we are still concerned by the undefined nature of NextGen's components and goals. NextGen should be understood not as a single initiative, but as many interconnected projects, each demanding separate scrutiny.

The success of each of these projects will be dependent on the FAA's willingness to work meaningfully with NATCA and other stakeholders before decisions are made, not after. The entire FAA team, including the frontline controller workforce, must be on board with a sense of ownership in the projects and a complete understanding of its directions and goals.

Meaningful collaboration from the inception stages through implementation is essential to delivering superior products on time and on budget. As the primary users of the air traffic control system, NATCA's members are uniquely positioned to recognize the needs and shortcomings of the current system, suggest solutions, identify potential glitches during the development stages, and recognize the human factors implications of the changes.

NATCA has a long history of supporting modernization. We worked with Administrator Garvey as a part of the team that developed and implemented some of the most successful technological innovations in air traffic control. NATCA sincerely believes that we can all benefit from that level of collaboration again with Administrator Babbitt.

Just last week, the FAA named a NATCA national rep to join the team on NextGen initiatives. An example, ERAM, which is En Route Automatization Modernization, is a major initiative that would have been benefitted significantly had NATCA been involved on the forefront. It is still contending with several critical flaws and a high number of work-arounds, which might otherwise have been avoidable with earlier collaboration.

We are pleased that Administrator Babbitt has reached out to NATCA on this issue and look forward to working with the FAA and the contractors so that when we deploy the system, it is safe, ready, and reliable.

Unifying the terminal automation platform is another technological priority for NATCA. Right now, terminal facilities use different platforms, each with its own capability and displays. That makes training, maintenance, modernization more difficult, complicated, and expensive. We would support upgrading and standardizing the current platforms rather than developing an entirely new system, as we believe that this would be a more cost effective way to address the issue.

Lastly, the FAA submission adjusted staffing goals downward, in large part because of the recent downturn in air traffic. We are concerned that this adjustment may be shortsighted. We can take up to three years for a newly hired air traffic controller to complete his training and become fully certified. As such, it is impossible to quickly increase the size of the workforce when the economy improves and aviation resurges.

Instead, we must prepare for personnel needs of the national air space system the same way that we prepare for technology increases, by building for capacity and safety for the future. It is also critically important that the FAA maintains even flow hiring in order to avoid another wave of retirements.

We all share a desire for the national air space system to remain safe and the most effective and efficient system in the world. And I would like to thank the subcommittee again for giving us the means to do that. I look forward to 2011, and hope it is full of innovation and collaboration. Thanks again very much.

[The information follows:]

Testimony of

Patricia Gilbert
Executive Vice President
National Air Traffic Controllers Association

Before the

Transportation, Housing and Urban Development Subcommittee

Of the

House Appropriations Committee

March 18, 2010

Maintaining a Safe & Viable Aviation System: Priorities from Aviation Stakeholders

Introduction

Thank you for the opportunity to testify before you today. My name is Patricia Gilbert, and I am the Executive Vice President of the National Air Traffic Controllers Association (NATCA). Before beginning my term of office, I worked for 20 years as an air traffic controller in Houston ARTCC. I have served NATCA as a Quality-Through-Partnership (QTP) facilitator in 1992 and for three terms as Houston Center's Facility Representative. I also served on NATCA's National Legislative Committee (NLC) first as the Southwest region representative from 2001- 2005 and then as chair of the committee from 2005 until 2009.

The National Air Traffic Controllers Association (NATCA) is the exclusive representative of over 15,000 air traffic controllers serving the Federal Aviation Administration (FAA), the Department of Defense and the private sector. In addition, NATCA represents approximately 1,200 FAA engineers, 600 traffic management coordinators, 500 aircraft certification professionals, agency operational support staff, regional personnel from FAA's logistics, budget, finance and computer specialist divisions, and agency occupational health specialists, nurses and medical program specialists. NATCA's mission is to preserve, promote and improve the safety of air travel within the United States, and to serve as an advocate for air traffic controllers and other aviation safety professionals.

NATCA has a long history of supporting new aviation technology, modernizing and enhancing our nation's air traffic control system, and working to ensure that we are prepared to meet the growing demand for aviation services. So that everyone continues to have access to a safe and efficient National Airspace System (NAS), NATCA is an active member of the Radio Technical Commission for Aeronautics (RTCA) and a participant in the workgroup that made the recommendations that will be explored today. We fully support the RTCA's recommendations and applaud its policy of collaboration. We also recognize that the technological, procedural, and implementation details remain at the discretion of the FAA.

Executive Summary: NATCA's Budget Priorities

Air Traffic Organization Operations Budget: The National Air Traffic Controllers Association (NATCA) supports full funding of the Air Traffic Organization (ATO). This division of the Federal Aviation Administration (FAA) is responsible for maintaining the day-to-day safety of the National Airspace System (NAS) through the air traffic control system. The hard work and professionalism of the air traffic controller workforce has enabled the United States to maintain the safest airspace system in the world. NATCA cautions against short-sightedness in the funding of the ATO. Instead we must plan for the future personnel needs of the NAS in the same way as we plan for its technological needs. We should plan for the future recovery and the increased capacity that will be created by NextGen rather than scale down air traffic controller staffing because of the recent downturn in air traffic.

Facilities: NATCA would like to thank the Subcommittee for providing the funding of facility repairs in last year's economic recovery bill. With so much attention focused on the development of NextGen, we were pleased to see that the health and well-being of the employees of the FAA were not neglected by Congress.

The FAA has been engaging in the realignment and consolidation of facilities and services throughout the country without the input or involvement of air traffic controllers, pilots, airport managers and other vital aviation stakeholders. NATCA is pleased, however, to see a recent shift by the FAA away from the ad-hoc, unilateral approach to altering ATC facilities in services by vowing to develop a more comprehensive and inclusive plan. NATCA continues to caution the FAA that it must collaborate with

NATCA to ensure that changes are made only in cases where the benefits outweigh the risks and that the risks are properly mitigated.

NextGen: NATCA is supportive of the modernization of the NAS, although we are still concerned by the undefined nature of NextGen's components and goals. NATCA wants to emphasize the importance of pre-decisional collaboration. Such cooperation has historically helped projects deliver superior products on-time and on-budget.

Modernization: NATCA's priorities for modernization include the successful and effective completion of the En Route Automation Modernization (ERAM) project, as well as the deployment of a unified terminal automation system, the expansion of surface surveillance to all towered airports, and a more robust communications system to alleviate frequency congestion. We support full funding of these initiatives and look forward to meaningful pre-decisional collaboration with the FAA to achieve the best results.

I – ATO Operations Budget

NATCA supports the Obama Administration's budget request for FY 2011 to fund Air Traffic Organization (ATO) operations, responsible for maintaining the day-to-day safety of the NAS. The hard work and professionalism of the air traffic controller workforce has enabled the U.S. to maintain the safest airspace system in the world.

Controller Staffing Needs

In its ATO operations budget proposal, the FAA states that it identified trends that "allowed us to adjust the staffing number downwards." It is important to point out that these trends rely primarily on a downturn in traffic as a result of the faltering economy and that adjusting staffing downward for this reason is dangerously shortsighted. As the economy inevitably recovers, so too will the aviation industry. The FAA is actively preparing for this in other aspects of their budget and planning. NextGen, for example, is being designed in an attempt to improve the capacity of the NAS that will only be necessary once the aviation industry recovers. We applaud the FAA for its forward thinking on NextGen, but we caution the Subcommittee to regard human factors with the same mindset. Because it can take up to three years for a new hire to become a certified professional controller, it is impossible for the workforce size to be adjusted quickly when the industry rebounds without preparing in advance.

The downward adjustment of the staffing number also indicates the FAA has not learned from its earlier mistakes. After President Reagan fired the PATCO strikers, the FAA had a major staffing crisis that necessitated the rapid hiring of a large number of new air traffic controllers. Rather than continue hiring in an even flow after this surge, the FAA dramatically cut off hiring in the late 1990s. During the past few years, the FAA has seen an unprecedentedly-high level of attrition as those who were hired in the wake of the PATCO strike reached retirement age. The Bush FAA exacerbated this problem by imposing punitive work and pay rules on the controller workforce that convinced many to retire as soon as they became eligible, resulting in an attrition rate that far exceeded what could have been predicted based on eligibility rates alone.

Administrator Babbitt has done an excellent job overseeing the hiring of a large number of new trainees to fill the vacancies created during the imposed work rules. But the budget submission indicates that the FAA is prepared to allow history to repeat itself. The FAA has just completed another massive hiring wave and is poised to dramatically cut off hiring. Unless the FAA continues to hire in an even flow, we will see another wave of retirement eligibility and another staffing crisis twenty years in the future.

The Effect of the NATCA Arbitration Award
The budget submission emphasizes the immediate budgetary effect of the NATCA arbitration award. As it describes, "At the direction of the White House, DOT Secretary LaHood implemented a binding arbitration process between the FAA and NATCA to resolve multiple outstanding issues. The panel has completed its work and has provided a final settlement for the NATCA controllers' contract. As part of the agreement, FAA will increase the pay scales for air traffic controllers over a 3-year period. These increases are binding on the agency and are not subject to adjustment."[1] The award does represent non-discretionary spending by the FAA above what was spent last year. It must be understood, however, that the financial cost of this arbitration award does not represent expenses above a valid baseline. Instead they represent a gradual return to normalcy after what the neutral arbitrators described as "economic take-backs, in the name of fiscal prudence, that constituted unprecedented draconian reductions in compensation, bordering on the unconscionable."[2]

The reversal of these take-backs has enabled the FAA to begin to recover from the staffing crisis. In FY 2008, during the imposed work rules, the FAA lost 1369 controllers – 3.75 per day – to attrition. This far exceeded historical patterns and FAA predictions, even given the increase in retirement eligibility. In FY 2009, as it became clear that NATCA would be returning to the bargaining table, the attrition rate decreased by 58% down to 1.6 per day for a total of 575 for the fiscal year.[3] By re-establishing the career ladder and removing the artificially low salary cap, controllers no longer had a strong incentive to flee the FAA workforce. By restoring the starting salary for new hires, the air traffic control profession became more attractive for qualified applicants. It is important that this Subcommittee recognize precisely what was "bought" by the cost of the arbitration award: stability in the air traffic controller workforce and dignity for the profession.

The new contract contained more than just changes to the compensation packages for air traffic controllers and its fiscal impact must be understood on those other dimensions as well. For example, contract also includes provisions that require collaboration between the FAA and NATCA on NextGen, controller fatigue, and other issues that are critical to the future safe and efficient operation of the NAS. The record has shown that projects in which the FAA has collaborated with NATCA are more likely to have been on-time and on-budget than those which they conducted unilaterally.

II - Facilities and Equipment

Smart Spending on Modernization
NATCA enthusiastically supports investment in the future of the NAS technological infrastructure, but we also recognize the FAA's mixed history with modernization projects and urge the agency to learn from past mistakes.

As this Subcommittee is aware, the FAA has a history of cost overruns and implementation delays for many of its major modernization programs. Some examples include:

- **Wide Area Augmentation System (WAAS)**: Delayed 13 years and $1.52 billion over budget.
- **Standard Terminal Automation Replacement System (STARS)**: Delayed 3 years, $500 million over-budget, and had its deployment reduced by over 70 percent.
- **Airport Surveillance Radar (ASR-11)**: Delayed 8 years and $173 over-budget.

[1] FY 2011 President's Budget Submission, Federal Aviation Administration, Pg 47.
[2] In the Matter of the Mediation to Finality between Federal Aviation Administration and National Air Traffic Controllers Association. July 6, 2009. Before the Panel: Jane Garvey, Chairman, Richard Bloch, Esq. Dana Edward Eischen, Esq.
[3] Based on payroll data provided by the FAA to NATCA.

- **Local Area Augmentation System (LAAS)**: Delayed by 6 years and $166 million over-budget.
- **Airport Movement Area Safety System (AMASS)**: Delayed 5 years and $92 million over-budget.[4]

If the FAA is to be a good steward of taxpayer money, it must take steps to ensure that these programs remain on-time and on-budget. In order to accomplish this, the FAA must work collaboratively with NATCA as the representative of the agency's frontline workforce in every stage of these modernization projects, from inception to implementation, enabling the team to identify and rectify problems and glitches during the development states. Such involvement will help the FAA to avoid costly and time-consuming overhauls during the implementation stages and ensure that the final products are functional, usable, and useful.

In a 2004 study, the GAO listed a failure to involve stakeholders as one of challenges that "have made it more difficult for FAA to meet the systems' cost, schedule, or performance estimates."[5] They cited the example of the Standard Terminal Automation Replacement System (STARS), a project wherein the FAA's failure to include stakeholders resulted in the creation of a product with critical flaws, creating a need to make major modifications during the late stages of the project, resulting in major delays and cost overruns. The GAO said,

> "During the design and development phase of the Standard Terminal Automation Replacement System, which is designed to replace air traffic controller workstations with new color displays, FAA did not involve users such as air traffic controllers and maintenance technicians in human factor evaluations, which examine how humans interact with machines, because the aggressive development schedule limited the amount of time available to involve them. Consequently, FAA and the contractor later had to restructure the contract to address the controllers' and technicians' concerns, such as the inconsistency of visual warning alarms and color codes, which contributed to the system being delayed by 3 years and a cost increase of $500 million."[6]

It is critical that the FAA learn from past mistakes so that they can avoid the delays and cost overruns that have been endemic to past FAA modernization efforts.

NextGen Plans and Priorities

It is abundantly clear that NextGen, the FAA's comprehensive modernization plan for the NAS, is the FAA's number-one budget priority for the coming year. There are 19 separate line items which explicitly mention NextGen and many others which support NextGen initiatives indirectly. These items account for more than $1.1 billion of the FAA's budget, and the budget request for NextGen represents an increase more than 30% over last year[7]. NATCA applauds the FAA's willingness to undertake such a comprehensive modernization project, but we remain concerned over the ill-defined goals and projects of NextGen. NextGen remains a catch-all phrase for the FAA's modernization priorities, encompassing everything from airspace redesign to satellite-based surveillance, from facility closures to shifting responsibilities for air traffic controllers and pilots. Many of the concepts and projects included under the NextGen umbrella appear to be sound, but the Subcommittee should be cautious of looking at NextGen as a single project for approval. Instead, NextGen should be regarded as *many* separate though interconnected projects, each one demanding separate scrutiny.

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[4] Government Accountability Office, Report to the Chairman, Subcommittee on Aviation, Committee on Transportation and Infrastructure, House of Representatives, "FAA Needs to Ensure Better Coordination When Approving Air Traffic Control Systems" GAO-05-11. November, 2004.
[5] Ibid.
[6] Ibid.
[7] Office Of Management And Budget, Department of Transportation Budget Highlights.

The 2009 Air Traffic Controller collective bargaining agreement established a joint NextGen workgroup with members from both the union and the agency. Secretary LaHood and Administrator Babbitt made it their priority to begin this collaborative process, and the workgroup has already made progress. NATCA looks forward to continued collaboration with the FAA through all phases of each of NextGen initiatives.

NextGen's biggest challenge is not the viability of any given project or idea; rather it is in building confidence among those in the aviation industry. The implementation of NextGen will require a major investment, not only from the federal government but from every company and every individual who utilizes the NAS. The industry has a long memory, and the agency's recent track record has not always been good. American Airlines, for example, was forced to waste expenses associated with equipping their fleet with Controller Pilot Data Link Communication (CPDLC), a program that was later abandoned by the FAA.

One critical way of developing the necessary level of confidence is by establishing a stable, long-term funding stream. By showing the industry that the federal government is truly committed to this investment, industry will be more likely to view it as a sound investment for their own companies. In Europe, for example, SESAR has a funding stream that is guaranteed through 2025 through an agreement of individual states. While there are indications that NextGen is a better, more comprehensive product than SESAR, the European funding stream gives a sense of stability to the project that NextGen currently lacks.

Technological Priorities

En Route Automation Modernization (ERAM): The FAA is undertaking what may be considered the largest, most comprehensive technological update in the history of the FAA. ERAM (line item 2A01) is designed to replace HOST, the technological backbone of en route air traffic control. HOST is a mainframe computer processor which provides data to display at en route air traffic control positions. ERAM would replace the HOST mainframe with a network of PC processors designed to synthesize data from both radar and satellite sources.

While NATCA recognizes the need to replace HOST, confidence is low in ERAM. There are several critical problems that remain unfixed and a high number of workarounds to deal with less critical glitches. These issues represent a significant threat to the safety of the NAS, and we believe that live testing should be halted until the known issues are addressed. The FAA has been pushing forward with live testing in an effort to adhere to a timeline for implementation. NATCA appreciates the importance of remaining on-time and on-budget, but such factors must always be secondary to maintaining the safety of the system.

ERAM should be regarded as an example of what happens without collaboration. The project began during the previous Administration with no input from users with front-line knowledge of the system. As a result, it is significantly behind schedule, likely to be over-budget, and still contains several critical flaws and many minor glitches. To the credit of Administrator Babbitt, we have seen the FAA reach out for collaboration during this late stage of the process, and NATCA is working together with the FAA to find solutions to ERAM's outstanding problems.

Questions remain about the FAA's ability to operate within the President's proposed budget. The FAA's ability to remain within the budget proposal depends on its ability to complete installation at a majority of Air Route Traffic Control Centers (ARTCC) before the end of the current fiscal year. Given the current status of ERAM, that may be overly ambitious. The majority of costs during FY 2011 will come from emergency builds and work-arounds that will be developed as we discover glitches during implementation.

One Terminal Automation System for the NAS: The FAA has made an attempt several times in the past to develop a single terminal automation system that would serve every facility in the NAS. The acronym in STARS even reflects this goal: Standard Terminal Automation Radar System. Yet this standardization still does not exist. Instead, a variety of different radar systems are utilized at terminal facilities, each with its own capabilities and displays. This makes training more difficult and it makes maintenance more difficult. Furthermore, it makes modernization both more complicated and more expensive as changes must either be compatible across all systems or replace existing systems. Unifying terminal automation would be an excellent investment.

NATCA cautions using consolidation as a way of cutting corners in equipping smaller terminal facilities. There is concern that one or more of the systems currently in use – including ARTS-IIE – is incompatible with ADS-B. It is NATCA's understanding that the FAA may be considering consolidation of ARTS-IIE facilities simply to avoid equipping these facilities with the new software. This is not a good idea.

Decisions on consolidations must be made only after full consideration of the effects of the changes is made and it is determined that the operational benefits outweigh the risks. Moving air traffic control operations out of small local airports and consolidating them with larger operations necessarily results in a reduction of service to those smaller airports, which will always take a lower priority than commercial traffic at large facilities. As the NextGen plan for increased capacity depends on better utilization of current runway space, disincentivizing the use of small facilities by decreasing service will prove counter-productive even if consolidation reduces costs in the short term.

NATCA also warns against the development and deployment of yet another terminal automation platform via the Terminal Automation Modernization Replacement – Phase 3 (TAMR-3). The industry has two companies that manufacture ARTS and STARS, both of which have offered replacement plans for the ARTS-IIE platforms and to put terminal automation on one platform. Estimates for yet another new system have been mentioned as costing between $2B to $4B, with minimal system improvements, while the two replacement plans involving ARTS and STARS are both under $500M.

Expanding Surface Surveillance: NATCA is concerned about the dramatic funding cut to the Airport Surface Detection Equipment – Model X (ASDE-X) funding that is proposed in the Presidential Budget. ASDE-X and other forms of surface radar have proven to be very effective at improving runway safety, which has continually been identified by the NTSB as one of their "most wanted" aviation safety improvements. Surface surveillance is necessary at every towered airport, yet ASDE-X has been commissioned at only 22 airports and thirteen others are in various stages of implementation. Based on the budget request of $4.2 million, the FAA has no plan to expand ASDE-X further. NATCA would like to see the expansion of surface surveillance radar and hopes to have the opportunity to work with the FAA to make this safety initiative a reality. The FAA currently has a prototype plan with four separate Low Cost Ground Surveillance (LCGS) systems being demonstrated. NATCA believes these LCGS systems may provide an option to achieve ground surveillance at all towered airports.

Facility Closures and Consolidations

NATCA has concerns over the four budget line items that address facility closures, consolidations, and airspace realignment. These line items represent the potential for significant changes in where and how air traffic control functions are conducted. As with all major changes, the success of these projects depends on collaboration.

NATCA is not opposed to all realignment efforts. The Union collaborated with the FAA on some of the most successful realignment initiatives of the past, including the creation of consolidated Terminal Radar Approach Control (TRACON) facilities in Northern California, Southern California, and the DC metropolitan area. Most recently, in fact, NATCA worked collaboratively to transfer the local radar at Rome, New York to Syracuse, New York. However, NATCA believes that these changes must not be made blindly. Changes must be made only when the identified benefits outweigh the risks and every effort has been made to minimize and mitigate those risks. This can only be accomplished through true collaboration – from inception through implementation – between the FAA and NATCA.

NATCA is pleased to see that the FAA is developing a "long-term facilities master plan for ATCT and TRACON infrastructure replacement and improvements" (line item 2B06). As recently as July 20, 2009 in a meeting to discuss the realignment of Palm Beach TRACON, the FAA claimed that there was no national plan and that realignment decisions were made independently on a case-by-case basis. The NAS is a complex matrix of operations and facilities and it is critically important that any changes in facilities or assignment of airspaces be considered not in a vacuum but as part of an interconnected system. Furthermore, we believe that all realignment decisions that were made outside of this master plan and without collaborative involvement of the air traffic controller workforce be re-evaluated in this context before they be allowed to proceed. We have outstanding concerns that planned changes may have unintended consequences to both safety and service to the affected areas.

The FAA's stated objective for developing a facilities plan for NextGen involves moving air traffic control services away from the geographic area of the air traffic itself. In its description of Budget item 1A15, the DOT states that requirements for facilities, "Do not require proximity of air navigation services being provided to the air traffic being managed." While it is true that new technologies may make it possible to perform air traffic control functions remotely, this does not mean that it is advisable to do so. The FAA must take into account the benefits of the current configuration of local facilities as well as the risks associated with consolidation and remote location.

For example, when air traffic control facilities are located near the areas being served, air traffic controllers are likely to have knowledge of local terrain and landmarks that have proven vital in emergency situations. In July of last year, controller Steve Franzen made a potentially life-saving assist by helping a GA pilot land on a road west of the Las Vegas airport after his engine cut out. Franzen lived locally and biked in the desert area where the plane landed and his local knowledge was a vital factor in the save. The FAA reported, "Being familiar with the roads, he described landmarks that kept the pilot situated." When ATC facilities are moved to remote locations, this local knowledge is lost.

Also troubling is the reference to eliminating redundancy in line item 2E06 – Facility Decommissioning. In business, redundancy is considered a waste of money and therefore its reduction or elimination is considered a positive step toward greater efficiency and profit. This is not the case when it comes to safety. The safety of the flying public depends on the reliability of the air traffic control system, and this reliability is in turn dependent on redundancy. Sufficient redundancy acts a failsafe to ensure that, if something goes wrong, there is a back-up system in place.

Lastly we remain cautious of any realignment plan that is undertaken solely as a means of cutting corners on technological equipage for NextGen. Consolidation to avoid upgrading the technology at small- and medium-sized airports is in direct opposition to the FAA's plans for encouraging greater utilization of the NAS airport infrastructure. Rather than encouraging greater use of lower-density airports, these realignments will have the effect of decreasing the quality of air traffic control services to these smaller airports, essentially disinsentivising their use.

Mr. OLVER. Thank you. Mr. Bunce.

MR. BUNCE'S OPENING REMARKS

Mr. BUNCE. Chairman Olver, Ranking Member Latham, thank you very much for letting me testify in front of you today. We look at this fiscal year 2011 budget very positively from a manufacturer's perspective. The first thing it does for modernization, about a 30 percent increase for allowing NextGen and move forward, we are extremely supportive of that.

We are hoping, though, that we are able to work with you, with the administration, in an industry-government partnership to be able to figure out ways to accelerate NextGen because we all know if we delay—that has been already mentioned—other countries are going to move far forward and far more rapidly than we will on being able to have a modernized system.

There are ways to go and incentivize equipage, which is a key element of that, which will allow us to move forward. And there are some things that will cost money, and there are other things that will not. And I hope we can explore those. But I think it is important to note that we all have to change our paradigm somewhat and think about infrastructure not as just being on the ground.

We are moving so much into the aircrafts so our great controllers will be able to do their jobs better. And we are all supportive of modernization, but we have to think of infrastructure as not only being on the ground, but also being in the air. And once we can break that paradigm, I think we can really move forward on creative ways that we can be able to go and incentivize equipage and get what we need up in the aircraft to be able to accelerate NextGen, and keep pace with what is happening, both in Europe and in China.

Another key element in this bill that we are very supportive of is the fact that because of the work that this committee has done over the last five years from the manufacturer's perspective, you have helped us emphasize the importance of having enough certification engineers employed by the FAA to allow us to get product out.

We get in this long queue to be able to get our programs looked at by the FAA, and that directly translates to a lack of our ability to hire more people to get product out to market. You have helped us over the last five years. The administration listened. They are adding 41 certification engineers this year to help us do that, and we are extremely supportive.

Lastly, the environment is very important to all of us. We are all looking at creative ways to be able to use NextGen to help us reduce emissions, and we have a tremendous track record in this industry of being able to produce aircraft that are able to fly more efficiently with engine and aircraft design. We need NextGen to make that move forward. We need help with fuels. We have got a lot of great initiatives going with synthetic fuels, with biofuels. But on the light end of general aviation, we have been stuck with the leaded fuel for quite a few years, and we know we have to transition. It is a very complex problem.

The FAA has dedicated $2 million for tech center funding to be able to help us convert this industry, and it is very, very important to us. So we absolutely support this budget, and absolutely appreciate all of the help that we have received from this committee. Thank you.

[The information follows:]

Testimony of Peter J. Bunce
President & CEO, General Aviation Manufacturers Association
"Maintaining a Safe & Viable Aviation System: Priorities from Aviation Stakeholders"
2358A Rayburn House Office Building
March 18, 2010

Chairman Olver, Congressman Latham, distinguished members of the Subcommittee; my name is Pete Bunce and I am the President and CEO of the General Aviation Manufacturers Association (GAMA). GAMA's sixty-seven member companies are the world's leading manufacturers of general aviation airplanes, engines, avionics, and components. Our member companies also operate aircraft fleets, airport fixed-based operations, pilot training centers and maintenance facilities worldwide. On behalf of our members, I appreciate your leadership in convening this important hearing and providing GAMA the opportunity to testify about the challenges facing the Federal Aviation Administration (FAA) and the President's FY 2011 Budget proposal.

As the committee knows, general aviation (GA) is an essential part of our transportation system that is especially critical for individuals and businesses that need to travel and move goods quickly and efficiently. General aviation is also an important contributor to the U.S. economy, supporting over 1.2 million jobs, providing $150 billion[1] in economic activity and, in 2009, generating more than $4.6 billion[2] in exports of domestically manufactured airplanes. 2009 was the first year when more than half of the revenue from general aviation manufacturing was a result of exports. General aviation is one of the few remaining manufacturing industries that still provide a significant trade surplus for the United States.

Our industry, like many others, is struggling. As a result of the recession, greatly diminished credit availability, and other factors, our member companies have lost nearly 20,000 jobs over the past eighteen months. These are difficult times in our industry but we are committed to remaining competitive and building a better future for our companies and their employees. Our members have always believed in driving innovation regardless of the state of the economy and we will continue to develop new products to take full advantage of the economic recovery when it comes.

Budget Overview

The President's budget request includes approximately $16.5 billion for the FAA for FY 2011, a three percent increase over the FY 2010 budget. We support this increase and appreciate the willingness of the Administration to allocate additional funding to the FAA given the many competing priorities. Within the President's request, we are particularly pleased with the priority placed on NextGen programs, the level of funding for certification personnel, and the dedicated funding for the FAA to help test and certify an unleaded aviation gasoline.

[1] General Aviation Contribution to the US Economy, Merge Global 2006.
[2] 2009 General Aviation Statistical Databook and Industry Outlook, GAMA 2010.

As the subcommittee knows, adequate funding is only one part of the equation when it comes to successfully implementing programs. We believe that Administrator Babbitt has taken on this challenge with great energy and focus. We will need his concentrated effort and attention if we are to successfully change our aviation system to meet the capacity, safety and environmental challenges facing the aviation industry.

Air Traffic Modernization

In our view, the top issue facing the FAA is its ability to move forward on air traffic control modernization, or NextGen. The Administration's FY 2011 budget request provides $1.14 billion in support of NextGen programs, a thirty percent increase over the FY 2010 enacted level. We are very pleased to see that the Administration proposes to increase funding for NextGen and believe that it demonstrates the FAA's commitment to modernization. However, as I will describe in more detail below, the President's budget fails to address the airborne infrastructure of NextGen modernization, limiting FAA's efforts to accelerate NextGen.

NextGen will transform the air traffic management system. From bonfires to beacons to radars, the story of air traffic has been one of progress, bringing operational efficiencies and environmental benefits that allow the U.S. to operate the premier air traffic management system in the world. If we do not accelerate this transition to a satellite-based system, FAA will lose its leadership mantle. Europe is already moving forward so that aircraft will be equipped with ADS-B technology by 2015.

As appropriators, you have a key role to play in supporting this transformation. Part of this is recognizing that the aviation infrastructure in the future will be built in the sky rather than on the ground. Rather than simply placing radars on the ground, individual aircraft will be equipped with navigation and surveillance capabilities. In the past, federal funding has been provided for ground surveillance and navigation infrastructure. Given the huge environmental, efficiency, and safety benefits, it will be self-defeating if federal funding for NextGen is limited simply because the surveillance and navigation infrastructure is now placed on the aircraft and not the ground.

The aviation industry stands ready to work with you in a public-private partnership to accelerate NextGen through aircraft equipage so that we can all begin to accrue the benefits of NextGen by 2015. It needs to be a partnership because many of the benefits of equipping with this new technology accrue to the federal government or to the air traffic system as a whole. For an individual operator, the benefits of equipage are sometimes not realized from an individual cost-benefit perspective.

The need for partnership becomes even more compelling given the deep financial predicament this industry currently faces. Most operators cannot afford to make the investments needed to purchase these technologies. As a result, in the absence of incentives to equip early, most operators will simply wait to place this technology on their aircraft. As an industry that has lost nearly 20,000 manufacturing jobs throughout the last year and a half, we want to put people back to work. This federal investment not only moves NextGen forward, but it will provide more Americans with the opportunity for good jobs in our nation's avionics companies and maintenance facilities.

Incentivizing equipage could take many forms. For instance, one avenue may be the President's proposed National Infrastructure and Innovation Finance Fund which would provide financing or grants for transportation projects including those that are aviation related. We hope that in authorizing and funding this program, Congress designates NextGen equipage as clearly eligible for support from this fund and moreover, deems it a priority.

I am confident that funding of this equipage can be successful given past examples like the Capstone project in Alaska. The FAA equipped aircraft with ADS-B technology and the results have been very positive. Aircraft are able to fly under air traffic control surveillance more efficiently because they can fly more direct routes and the FAA knows more precisely where the aircraft are located. The result has been improved safety and decreased accident rates.

As the RTCA Task Force report highlights, the FAA must also do a better job in delivering the benefits when industry does equip. Currently, there is a tremendous opportunity to show the benefits of NextGen equipage through the performance-based navigation procedures that are required for actual operational use. The success of this effort will in part rest on the FAA and their ability to design a better environmental review process. Too often, the FAA process favors the status quo rather than delivering procedures offering noise and emissions improvements. Ironically, then, it is the environmental approval that is preventing aviation users from more fully mitigating the environmental impact of aviation.

Certification Personnel

We are very pleased that the President's budget proposes $14 million for an additional 82 safety inspectors which includes 41 product certification personnel. GAMA has long been a champion of increased funding for the FAA's Aircraft Certification Office (AIR) because of its role in certifying new products.

In recent years, we have been concerned about the level of staffing for the AIR because in some instances it has been unable to certify new general aviation products in a timely manner. In fact, in 2005, the FAA implemented a "Sequencing Process" for certification applications that has resulted in some projects getting delayed from ninety days up to nine months. Delayed applications can have a significant impact on a business which has invested in the research and development of bringing a new product to market. Certification must occur in order to start recouping that investment.

In our view, a sustained investment in the AIR is critical for two other reasons. First, as we move closer to implementing NextGen, the FAA will have to certify new technologies that are essential to modernization. Any delay in certifying NextGen technology could cause a delay in realizing the safety and efficiency benefits of NextGen.

Second, U.S. industry is competing in a global market and delays in certifying new products could put domestic manufacturers at a competitive disadvantage. In some cases, aviation authorities in both Canada and European are moving more quickly than the FAA in certifying new aviation products.

Fortunately, over the past few years, we have been able to work with this subcommittee to provide increased funding which has been critically important. We have also worked with FAA to speed up some of the delayed projects involving our members and continue to work with the agency on identifying certification priorities. If Congress approves the FAA's request of 41 additional certification personnel, it will help cut down on certification delays, grow our industry, and create new jobs.

Transition to an Unleaded Avgas

The Administration's budget request includes $2 million for FY 2011 within the FAA's Research and Development account to test and certify an unleaded aviation gasoline (avgas) at the FAA's Technology Center in Atlantic City, New Jersey. This is a critically important request that we strongly support and we urge the subcommittee to approve it.

GAMA is actively involved in developing a plan to transition to a new, unleaded avgas for piston-engine aircraft. Unfortunately, no simple alternative exists for 100 octane leaded aviation gasoline (100LL). For a variety of reasons, simply removing the lead from the current avgas is not a safe and viable solution. In addition, the transition to unleaded avgas will also require FAA approval for engine design modifications. Unlike the auto industry, which can implement engine design changes very quickly, the aviation industry must complete lengthy and costly certification processes.

The President's budget request will allow the FAA to partner with both the general aviation industry and fuel producers to research, test and ultimately approve an unleaded avgas. The end goal is to fully transition piston powered aircraft to an operationally safe and environmentally sustainable fuel over the next 5 to 10 years.

We hope the subcommittee approves the President's request for avgas research and development and we look forward to working with you on this important issue in the coming years.

Conclusion

GAMA supports the President's budget request for the FAA and believes the administration is generally focused on the right priorities. In order to move forward on NextGen, the Administration will need to look at ways to incentivize operators to equip early and work with Congress to develop a plan to accomplish this. Unless aircraft equipage is made a priority, critical elements of NextGen will not be completed until at least 2020 and our efforts to modernize the air traffic control system will falter allowing America's leadership to be eclipsed by Europe and potentially China as well.

In closing, Mr. Chairman, Congressman Latham, thank you for your leadership on aviation issues and for inviting me to testify before the subcommittee. I would be glad to answer any questions that you may have.

Mr. OLVER. Thank you very much. Mr. May.

MR. MAY'S OPENING REMARKS

Mr. MAY. Thank you, Mr. Chairman. Let me get this organized here. I appreciate the opportunity to appear before you and Mr. Latham and the other members of the committee today, and bring you up to date on changes in the industry dynamics that we have experienced since the year 2000, which is the last time we testified before this subcommittee.

I would like to start on a positive note, that the nation's passenger and all-cargo airlines run an incredibly complex global business, fueling local, national, and world economies. While not perfect, we are proud of our performances, as we maintain a safety record that is second to none, drive nearly 11 million U.S. jobs and 1.2 trillion in economic activities annually, contribute about 5.2 percent of GDP, operate 26,000 flights daily, carrying almost 2 million passengers daily, about 45,000 tons of cargo daily, offer domestic fares at 1998 levels.

We would prefer they not have to go back quite that far, but our fares today are equivalent to 1998 levels. That is 10 years at least. We have an enviable environmental record, where we have increased fuel efficiency by 110 percent from 1978 to 2008, reduced our greenhouse gas emissions significantly, while transporting 17 percent more passengers than we did in 1978.

Now there is some unfortunate news. The global recession severely weakened demand for travel. This year—I say this year—2009 saw us derive $36 billion less in passenger revenue than we did in 2008. Our capacity, which will come as no surprise to all of you who are frequent fliers, and you all are, is way down, 1,300 planes in communities seeing reduced service.

In 2000, the FAA forecast we are going to hit the 1 billion passenger mark, a great milestone, by 2009. Well, in 2010 that same FAA has forecast that we are going to reach that 1 billion passenger mark by 2023. I think that is a far more realistic measure. And at the same time, there is no reason to think that demand for air travel is going to grow exponentially.

This past decade, we have lost about $60 billion. We have been unable to recover the cost of capital. Most of our carriers suffer poor credit rates. Taxes and fees account for 20 percent of a typical round trip of domestic air fare. We are paying on an annualized basis a little over $16 billion as an industry to the federal government for taxes and fees.

Volatile fuel prices have nearly quadrupled from what they were 10 years ago. The ATC system, which belongs in the Smithsonian if it belongs anywhere, costs this economy an estimated $40 billion a year in lost time and productivity. And our inability to stabilize and reach profitability harms employees and the entire economy. We have cut or lost 30 percent of our workforce in the last 10 years, 163,000 jobs fewer than in 2001.

So what can be done to turn the tide? Well, we certainly cannot control the weather or the losses that we sustained during the storm, which, by the way, that series of storms up and down the East Coast and across the South cost us between $150 and $200 million. But we can have and promote government policies that suggest that the government should do no harm and not inhibit economic progress.

We need to stop talking about modernizing the ATC system and actually get it done. NextGen, whether it is ADS–B. RNAV/RNP procedures, safety enhancing equipment, cockpit displays and other technologies can and will transform the system in a matter of years. This is not technology that needs to be developed. This is technology that exists today. We need to have the will as a government to make it a national priority.

Last year, as I said, we paid $10.3 billion to fund FAA operations in the air traffic control system, a total of about 16 billion across the board. We need third to control excessive speculation in energy markets. Fourth, we cannot impose unnecessary climate change costs—I think that is critical. It does not fall immediately within the purview, but we have got a very positive alternative for climate change that goes well beyond cap and trade. We need to eliminate barriers on international business opportunities by using tools that can make us stronger, like across border investments, ventures, mergers, and acquisitions.

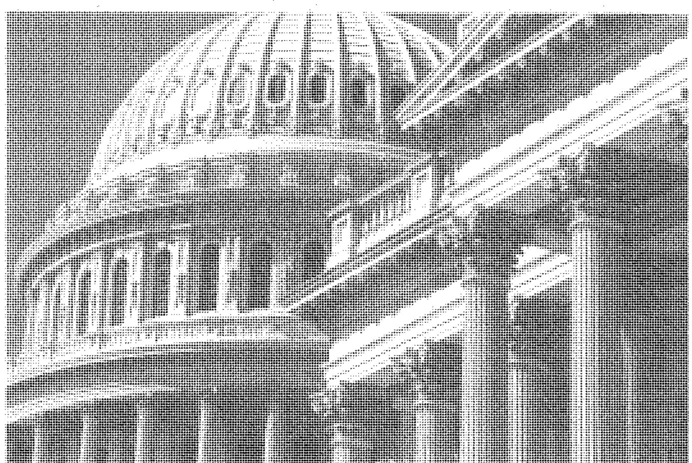
And finally, a strong U.S. airline industry drives jobs, commerce, and competitiveness. And although these challenges appear daunting, there are in fact solutions that will restore the industry to financial stability.

We ask for and appreciate your leadership. We support the budget that you have in front of you, and we look forward to the opportunity to answer whatever questions you may have.

[The information follows:]

ATA TESTIMONY

Maintaining a Safe and Viable Aviation System: Priorities from Aviation Stakeholders



Statement of James C. May
President and CEO
Air Transport Association of America, Inc. (ATA)
before the
Subcommittee on Transportation, Housing,
Urban Development and Related Agencies

March 18, 2010

AIR TRANSPORT ASSOCIATION

Thank you for this opportunity to appear before the subcommittee to share the airlines' perspective. Today, I would like to bring you up-to-date on the changes in industry dynamics since we last met in 2000, our priorities and challenges, and what can be done, with leadership from this committee, to allow our nation's airlines to operate successfully in a global business environment.

Let me start on a positive note. The nation's passenger and all-cargo airlines run an incredibly complex global business, fueling the local, national and world economies. While not perfect, we are proud of our performance as we:

- Above all else, maintain a safety record that is second to none, and the airlines remain laser-focused on further improvements
- Help drive nearly 11 million U.S. jobs and $1.2 trillion in annual economic activity
- According to FAA, contribute 5.2 percent of U.S. GDP – $732 billion a year
- Account, through air shipments, for nearly $1 billion every day in international trade, with the value of freight carried by aircraft 89 times that of the value of freight carried by truck
- Operate 26,000 daily flights, carrying 1.9 million passengers and more than 45,000 tons of cargo to thousands of destinations around the world
- Offer domestic fares at 1998 levels, an extremely pro-consumer value that is often ignored, and
- Have an enviable environmental record, increasing our fuel efficiency by approximately 110 percent from 1978 to 2008, and reducing our greenhouse gas emissions by 5.5 percent while transporting 17 percent more passengers and cargo.

What is particularly remarkable is that we continue to fuel the local, national and global economies and operate safer than ever despite innumerable setbacks beyond our control. The global recession severely weakened demand for travel. As people spent less money on commercial air travel, the hit to the airlines was staggering: $36 billion <u>less</u> passenger revenue in 2009, than our historical share of the economy would have predicted. Capacity is way down, with a net reduction of 1,300 planes and many communities seeing reduced service or losing service altogether. Although some corporate travel is returning, FAA recently revised its forecast, pushing back the date when we are expected to reach the one-billion passenger mark. In 2000, FAA forecast we would hit that milestone in 2009. The 2010 forecast pushes the date to 2023. That 14-year delay paints a sobering picture. And when the economy finally turns the corner and the worst is behind, there is no reason to think that demand for air travel will grow exponentially, allowing airlines to recoup any of their multibillion dollar losses or, for that matter, to avoid even greater losses going forward.

Certainly, the past decade has been difficult: airlines have lost $60 billion, are unable to cover the cost of capital and most suffer from poor credit ratings. And yet despite their ability to drive jobs and commerce, airlines face skyrocketing government and airport taxes and fees that now constitute 20 percent of a typical round-trip domestic fare; volatile fuel prices that are nearly quadruple what they were 10 years ago; arcane regulatory barriers that keep us from operating as true international businesses; and an inefficient air traffic control system (ATC) that costs the entire economy an estimated $40 billion a year in lost time, lost productivity and unnecessary fuel burn/emissions. Absent a real sea change, the industry will continue to contract and, ultimately, lose its competitive edge.

And make no mistake about it, our inability to stabilize and reach profitability harms our employees and the entire economy: We've lost 30 percent of our workforce – 163,000 fewer jobs today than in early 2001. It harms the communities and families that have lost service. It harms the companies that manufacture and sell us equipment and technologies, and the travel and tourism sector that depends on robust air service: hotels, resorts, taxis, retailers, restaurants, etc. – again, jobs are lost. Finally, and I know the committee will appreciate this consequence more than many, it harms U.S. glohal competitiveness and threatens our longstanding aviation leadership. The industry's economic viability is tied to the nation's economic viability.

So, what can be done to turn the tide? Admittedly, some things the government cannot control. The February snowstorms cost airlines an estimated $150 million from canceled flights and schedule reductions. But over the long run, much of our success does depend on sound government policies; government should 'do no harm' and not inhibit our economic progress. We will continue to keep safety as our top priority. We ask the government to:

- <u>Stop talking about modernizing the nation's ATC system and get it done</u>. NextGen – surveillance (ADS-B), navigation (RNAV/RNP procedures), safety-enhancing equipment (cockpit displays) and other technologies – can transform the system in a matter of years, rather than waiting until 2025 and beyond. The government should lead the way and fund ATC infrastructure equipment on the ground and inside the plane.
- <u>Stop considering the airlines and their customers as ATMs</u>. Last year, we paid $10.3 billion to fund FAA operations and ATC, and $3.5 billion for Department of Homeland Security (DHS) functions, on top of federal state and local corporate taxes. Add to that the $2.5 billion in passenger facility charges (PFC) and $7 billion in fees and charges paid to airports. Even in today's economy, airports are pressing to increase the PFC from $4.50 to $7.50 per flight segment, and DHS wants to increase the passenger security fee beginning in 2011, to bring in an additional $7 billion over a four-year period. Airlines and their customers are literally being taxed to the breaking point.
- <u>Control excessive speculation in the energy markets</u>. Fuel, our top cost, is often the difference between success and failure. With oil surging to $147 a barrel in July 2008, airlines spent nearly four times as much on fuel that year than in 2000. Last year, our fuel bill was almost $33 billion. Real reforms – position limits, market transparency and elimination of loopholes – will bring predictability to the markets.
- <u>Don't impose unnecessary climate change costs</u>. Climate change taxes could add another $5 billion to the airlines annual fuel bill – at a minimum. We need no incentive to control fuel burn and already have a remarkable environmental record. Airlines operate around the world and cannot be subject to multiple, often conflicting, climate change tax schemes. We understand our responsibility and have made significant commitments to control emissions by working through the International Civil Aviation Organization (ICAO).
- <u>Eliminate barriers to international business opportunities</u>. U.S. airlines, unlike U.S. telecommunications and banking institutions, are precluded from using tools that will make us stronger, like investment opportunities, cross-border ventures, mergers and acquisitions. We must be able to compete effectively in the global marketplace.

A strong U.S. airline industry drives jobs, commerce and U.S. competiveness. Although the challenges appear daunting, there are solutions that will restore the industry to financial stability. We ask for and appreciate your leadership in helping us fulfill our potential to be a successful and sustainable industry.

Thank you.

Mr. OLVER. Thank you very much. Ms. Jenny.

MS. JENNY'S OPENING REMARKS

Ms. JENNY. Last, but not least. Good afternoon, Chairman Olver and Ranking Member Mr. Latham. I want to thank you for inviting me here to be at this hearing. I think instead of trying to tell you what RTCA stands for, let me just tell you a little bit about what we do. We operate as a federal advisory committee for the Federal Aviation Administration, and provide a venue to bring industry together and forge consensus, recommendations back to the FAA on issues in aviation.

You asked for my perspective on challenges facing the aviation community and FAA and how best to move forward on NextGen. In February of 2009, Hank Krakowski, the chief operating officer of the air traffic organization of the FAA, and Peggy Gilligan, the FAA associate administrator for safety, had the foresight to ask RTCA to establish a task force to answer that very question.

Over 335 individuals from 141 organizations—all of the organizations here, by the way—came together and participated in the task force. And on September of last year, RTCA delivered a consensus-based set of recommendations to the FAA on the capabilities to develop between now and the year 2018. It is what the task force calls NowGen next.

I am here to represent the collective voice of the individuals who came together on that task force. The essence of the recommendation is first to deliver benefits from the equipment in which the operators have already invested. Beyond that, if resources are provided to help operators equip for the next phase of NextGen, the FAA must also complete all of the related work, such as procedures and training, that will be required to deliver the full benefits of that equipage.

Absent attention to those details, it is likely that the government could spend millions of dollars and not lead to a measurable improvement in the performance of the air transportation system.

The task force, briefly, made recommendations in seven areas. The first was to improve surface traffic at airports, thereby enhancing safety and reducing delays. Second, to increase the runway throughput at airports. The third was to increase the capacity and efficiency of metroplex areas, where there are multiple airports interacting. The fourth was to introduce more things like area navigation or RNAV routes in the en route environment. The fifth was to enhance low-altitude non-radar air space for general aviation, and to deploy more GPS approaches to general aviation airports. The sixth was implement some near-term digital data communication applications, which would decrease the departure delays out of gates and increase the safety and efficiency of the airborne traffic. And finally, to enhance collaboration among the FAA and the operators' operating centers.

Since September, the FAA has been working with industry through the RTCA to analyze the full extent of these recommendations and to understand how they are being integrated into their plans. The industry is encouraged by the transparency of this interaction, and is committed to continuing to work with the FAA until all of the recommendations have been addressed, and the resulting

NextGen implementation plan becomes the sole plan that documents the FAA's commitments for NextGen.

So what are the critical next steps for the FAA? First, the FAA should agree and needs to agree on an agency-wide set of priorities, and then work across their silos to implement NextGen. The industry for its part must speak with one voice when working with the FAA to establish the next set of priorities for NextGen.

Both the FAA and the industry must assign clear responsibility, authority, and accountability for implementing the components of NextGen. Specifically, the FAA should commit to specific locations and dates in their plans. They should manage NextGen with a single plan that enjoys the support of all parts of the FAA. They should deliver capabilities that provide equipment that provide benefits—I think as you said earlier—to that equipment, using some existing capabilities first, like multilateration, RMP, RNAV. They should deploy comprehensive solutions where outcomes are tied to the delivery of benefits, not simply programmatic milestones. They should launch joint government-industry implementation teams for their specific capabilities, streamline their processes for things like getting operations approval for new equipage, again assign accountability. It will take top-down direction to usher in the necessary cultural changes to implement a successful NextGen.

Finally, to incentivize equipage, either through operational means, or where that is not able to be done until there is a full equipage, then through financial means. This is a more complex undertaking that delivering individual infrastructure programs, and will require a new way of doing business.

Since some have asked whether the FAA can afford to do both implement the task force recommendations as well as the vision for NextGen, I think the answer is that we cannot afford not to do them. This NowGen next is really a risk mitigation program for NextGen.

Thank you for the opportunity to testify. I will be happy to take your questions.

[The information follows:]

RTCA

STATEMENT OF
MARGARET T. JENNY
PRESIDENT, RTCA, INC.
BEFORE THE SUBCOMMITTEE ON TRANSPORTATION, HOUSING AND URBAN DEVELOPMENT AND RELATED AGENCIES,
COMMITTEE ON APPROPRIATIONS
U. S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C.

"MAINTAINING A SAFE & VIABLE AVIATION SYSTEM: PRIORITIES FROM AVIATION STAKEHOLDERS"

Good afternoon, Chairman Olver, Ranking Member Latham, and Members of the Subcommittee. Thank you for inviting me to participate in today's hearing on "Maintaining a Safe & Viable Aviation System: Priorities from Aviation Stakeholders" My name is Margaret Jenny and I am the President of RTCA, Inc.

RTCA BACKGROUND

A few words about RTCA may be of value in setting the stage for my remarks. RTCA is a private, not-for-profit Corporation that is utilized by the Federal Aviation Administration (FAA) as a Federal Advisory Committee to provide a venue for the aviation community to forge consensus on aviation issues. Our deliberations are open to the public and our products are recommendations, developed by aviation community volunteers functioning in a collaborative, peer reviewed type of environment. RTCA provides two categories of recommendations: (1) policy and investment priorities to facilitate implementation of National Airspace System improvements and used as input to the FAA's investment plans for air traffic management system modernization, and (2) performance standards, reports, and guidance documents used by the FAA as a partial basis for the certification of avionics.

INTRODUCTION

You asked for my perspective on the challenges facing the aviation system and FAA and how best to move forward on NextGen. Mr. Chairman, early in 2009, Mr. Hank Krakowski, Chief Operating Officer of the FAA's Air Traffic Organization and Peggy Gilligan, FAA Associate Administrator for Aviation Safety, had the foresight to ask RTCA to form a Task Force to answer that very question. The good news is that we now have a community-wide consensus on the priorities for NextGen implementation. The next step is to integrate those recommendations into plans and implement them.

Before I describe the Task Force Recommendations, I think it is important to address an issue that has been discussed among the many NextGen stakeholders for the past several months, namely, **"Should some of the budget for NextGen be allocated to subsidize aircraft equipage?"**

RTCA

It is imperative that if the resources are provided to help operators equip for NextGen capabilities that the FAA provides the requisite resources, not just infrastructure but also all the other things the FAA must do to be able to take advantage of that equipage, as outlined by the Task Force Report. Absent attention to the other details, it is likely that the government could spend millions of dollars and not lead to measurable improvement in the performance of the Air Transportation System. I hope to show why this is true in my statement below.

Over 335 individuals from 141 different organizations participated in the NextGen Implementation Task Force. Members of the Task Force represented all segments of the aviation community, from large commercial air carriers to private pilots of single engine piston airplanes, as well as the pilots of business aviation aircraft and the organizations for which they fly. The Air Traffic Controllers union as well as a Pilot's union and dispatchers were part of the consensus as well. Airport operators, manufacturers of aircraft communication, navigation and surveillance avionics participated as did the major commercial airplane manufacturers. Participants brought technical, operational, and, for the first time on a Task Force, financial and strategic planning expertise. On September 9, 2009, RTCA delivered a consensus-based set of recommendations to the FAA on the NextGen operational capabilities to be implemented between now and 2018.

A year ago, many were asking "What is NextGen?" With the delivery of the Task Force recommendations, we are now asking "How soon can we deliver the benefits of NextGen?" The Task Force refers to this approach as "NowGen Next".

ESSENCE OF THE TASK FORCE RECOMMENDATIONS: "NowGen Next"

First, the Task Force stressed the importance of implementing ***operational capabilities*** (e.g., the ability to reroute with minimal delay and excess distance around severe weather through the use of data comm) versus technologies (e.g., deployment of data communication network), and deriving benefits from ***existing equipage***. This approach will help relieve congestion and delays in the near- and mid-term future. Success in this time period will also increase the community's confidence in the FAA's ability to fully implement NextGen.

Second, the Task Force focused on implementing solutions where the problems are most acute. This resulted in an ***airport-centric approach*** to NextGen, delivering capabilities at the key airports and large metropolitan areas, the bottlenecks where the problems are the most acute and most likely to ripple through the country causing unnecessary flight delays, misconnections and cancellations. Rather than deploying infrastructure throughout the entire system first and, only after that, implementing operational capabilities that deliver user benefits, the Task Force recommends implementing targeted operational capabilities at specific locations aimed at keeping the entire system healthy. It should be noted that capabilities recommended will require deploying an ***integrated*** suite of technologies. ***This will require a new way of doing business,*** upon which I will elaborate below.

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Finally, while the Task Force did not explicitly address all the safety initiatives, some of the recommendations will contribute to a safer system (e.g., Area Navigation (RNAV)/Required Navigation Performance (RNP), surface systems for better surface operations, radar-like coverage for general aviation traffic in areas lacking radar.)

OVERVIEW OF TASK FORCE RECOMMENDATIONS

The Task Force made recommendations in seven (7) areas:

1. **SURFACE**: Improve airport surface traffic situational awareness and data sharing for enhanced safety and reduced delays. ***Establish a single point of accountability within the FAA for implementing Airport Surface capabilities.***
   - Deploy ground infrastructure to capture surface activities and share data
   - Define consistent views of operational data for collaborative decision making
   - Define interoperability standards for sharing surface data among stakeholders
   - Implement surface traffic management decision support tools to already deployed surveillance capabilities such as Airport Surface Detection Equipment, Model-X (ASDE-X).
2. **RUNWAY**: Increase throughput at airports with closely-spaced parallel, converging and intersecting runways. This will reduce delays, noise and emissions.
   - Maximize use of converging or intersecting runways through use of existing technologies such as converging runway display aid (CRDA) and Precision Runway Monitor (PRM).
   - Allow use of RNP/Low Visibility Procedure (LPV)/(Ground-Based Augmentation System (GBAS) or Instrument Landing System (ILS) for all existing simultaneous independent and dependent approaches
   - Update 20-year blunder assumptions to enable operating simultaneous independent approaches to closer runways than currently allowed
   - Use high-update radar, multi-lateration (to accurately locate aircraft and other vehicles) for closely spaced parallel operations at appropriate locations
3. **METROPLEX**: Increase metroplex capacity and efficiency by de-conflicting traffic to and from all airports within large metropolitan areas. ***Moving from traditional national deployments of new technologies to an airport/metroplex-centric approach that deploys only where needed will also require a change in the way the FAA manages its NextGen portfolio of programs.***
   - Optimize RNAV operations (using Tiger Teams to focus on quality procedures at each specific location)
   - Integrate procedures designed to deconflict traffic to and from multiple airports and expand use of terminal separation rules (i.e. 3 mi separation)

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4. **CRUISE:** Increase cruise efficiency through enhanced use (increased availability of Special Activity Airspace (SAA), greater use of automation for aircraft metering, merging and spacing at bottlenecks, and use of flexible RNAV routing
   - Institute more efficient use of SAA
   - Expand use of time-based metering
   - Develop area navigation-based en route system
5. **ACCESS:** Enhance access to low-altitude, non-radar airspace for general aviation traffic, and increase availability of GPS approaches to more general aviation airports
   - Extend radar-like services to low altitude airspace without radar surveillance
   - Implement LPV procedures for airports without precision approaches
6. **DATACOMM:** Deploy air-ground digital data communication applications to decrease gate departure delays and enhance efficiency and safety of airborne traffic, especially when re-routing multiple aircraft around severe weather
   - Implement Segment 1 of FAA's Data Comm program using existing standards; i.e. reroutes, revised pre-departure clearance, Controller-Pilot Data Link Communications (CPDLC)
7. **INTEGRATED AIR TRAFFIC FLOW MANAGEMENT:** Improve overall system efficiency through enhanced collaborative decision making between the FAA and users' flight operations centers.

SUMMARY: Mapped out, the recommendations deliver benefits at the major metropolitan areas and most congested airspace, as shown in the figure below. Each capability and location has at least one operator (in most cases multiple operators) committed to investing in the capability.

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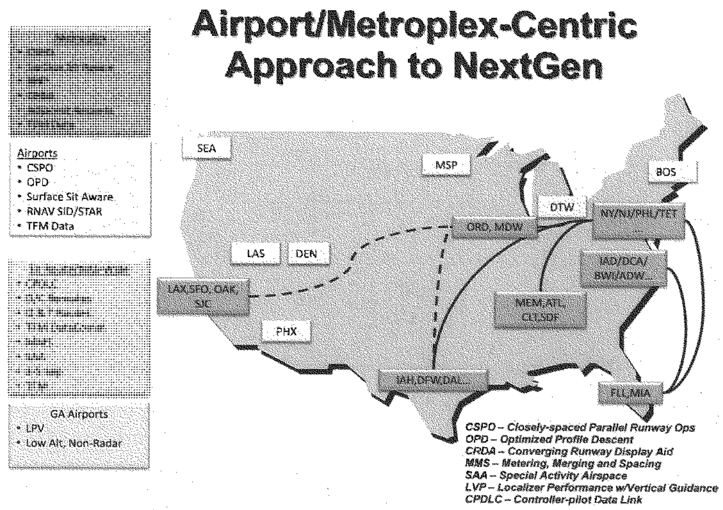

For each capability recommended, the Task Force defined the following: **WHAT** operational capabilities to implement, including the intended performance benefit, **WHERE** to implement each, **WHO** from the user community is committed to making the requisite investments, and **WHEN** the capability should be implemented and delivering benefits.

REQUIREMENTS FOR ACHIEVING FULL BENEFITS OF OPERATIONAL CAPABILITIES THAT IMPROVE SYSTEM PERFORMANCE

To deliver the benefits of any operational capability that improves system performance, the FAA must accomplish a host of related initiatives. New infrastructure, such as Automatic Dependent Surveillance-Broadcast (ADS-B) network, is one of those necessary components of new operational capabilities (e.g., reduced spacing between aircraft, enhanced efficiency of surface traffic), but is not sufficient to improve the performance of the air traffic management system. For any given NextGen capability, requisite changes must be understood and achieved, including:

- Training for changes in roles of pilot, controller, dispatcher
- New Technology or equipage fully deployed (e.g., ADS-B, , DataComm radios)
- Technology or equipage available today in the market place
- Decision support tools running on top of new technologies for controllers, pilots, dispatchers (e.g., aircraft rerouting tool for controller, aircraft equipage indicator for controllers)

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- New policies (for example rules to enable those who equip to receive benefits, moving beyond first-come-first-served)
- Implementation bandwidth issues resolved
- Airspace changes completed
- New technical performance standards issued
- Operations approval process streamlined
- Certification process streamlined
- Effective training programs in place
- Environmental and noise issues resolved

If the FAA can meet these challenges and deliver benefits for existing equipage, then the business case for installing the next generation of NextGen technologies becomes much more attractive because the confidence of achieving the quick return on investment is substantially increased. Essentially, they will have already completed much of the work needed to deliver the benefits of technologies such as DataComm and ADS-B.

While the Task Force recognized that the FAA would continue to develop the baseline programs and technologies described in the NGIP, it assumed that as a result of incorporating these recommendations the FAA will most likely find it necessary to adjust some element of these programs and reprioritize its investment portfolio. Since the FAA received the recommendations, it has been working with the industry through the RTCA Air Traffic Management Advisory Committee (ATMAC) to analyze the full extent of the Task Force recommendations and reporting on how they are integrating them into their implementation plans The industry is encouraged by the transparency of these interactions and is committed to continue working with the FAA until all of the recommendations have been addressed and the resulting version of the NGIP becomes the sole plan that documents the FAA's commitments. From that point, the industry has recommended that the FAA utilize joint government-industry implementation teams to ensure synchronized deployment of new capabilities and that the FAA utilize the RTCA ATMAC to track progress.

NEW WAY OF DOING BUSINESS

As with any transformation, successful implementation of NextGen will require a new way of doing business, a departure from past practices. First, the FAA must agree on agency-wide priorities for NextGen. Next, the FAA must break down the barriers that exist among its business silos, and develop and act upon agency-wide priorities.

The industry, for its part, must speak with one voice in working with the FAA to establish the next set of priorities for NextGen implementation. Both the FAA and the industry must assign

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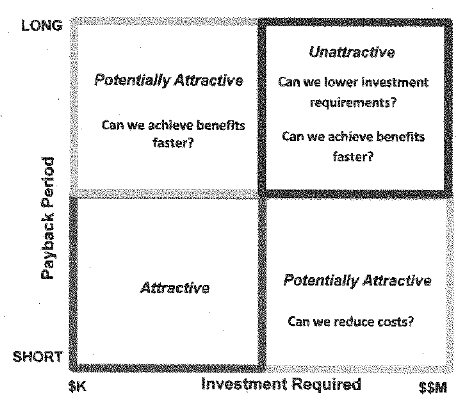
clear "Responsibility, Authority and Accountability" to ensure that all commitments are held to throughout the planning and implementation phases of each NextGen suite of capabilities.

Unlike previous FAA modernization initiatives, which relied solely on the FAA to deploy infrastructure and associated procedures, NextGen requires operators to invest in a new generation of equipage in the cockpit. Achieving the benefits of those investments is contingent upon many things outside of the operators' control. Airspace must be redesigned and air traffic procedures and rules of the road must be adjusted to take advantage of new technologies. Air Traffic Controllers must be trained on the new procedures in addition to the use of the automation systems. Airlines that do elect to equip with state-of-the-art technologies required to make NextGen a reality must be assured of streamlined operations approval processes governed by the FAA.

Deciding to invest in NextGen technologies requires a leap of faith that all the other critical stakeholders will hold up their end of the bargain and deliver full capabilities on dates certain. A business case cannot be built upon faith.

Closing the business case requires a reasonable payback period with a high degree of confidence that the payback will be achieved. Many of the long-term NextGen investments fall into the category of high cost, long payback period and low confidence of payback (partly because the payback is dependent upon outside forces such as the FAA.) The Business Case Subgroup of the Task Force laid out a framework for analyzing the business case as shown below.



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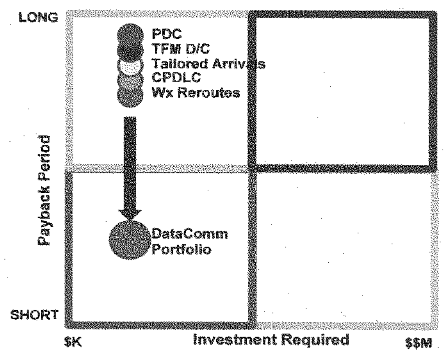
The aim of the recommendations is to move the capabilities into the lower left quadrant. The Task Force cost/benefit analysis showed that while no individual DataComm capability had a positive business case, when five capabilities were bundled so that a single investment in technology delivered five new operational capabilities, the business case closed for the airlines.



PDC – Pre-departure Clearance
TFM D/C – Traffic Flow Management Data Comm
CPDLC – Controller-Pilot Data Link Communications
Wx Reroute – Weather Reroutes

For the General Aviation community, the ground receivers in the Gulf are deployed and aiding the many helicopters and other aircraft. FAA's commitment to putting in the ground receivers will give those who elect to invest the opportunity to better understand the benefits.

For the more complex capabilities requiring airline equipage, it is important that the FAA commit to the locations and dates recommended by the Task Force, or risk losing the commitment of the airlines. As is true for airlines, a way to "drive" equipage within the General Aviation community is for the FAA to implement its ground infrastructure on schedule to provide LPV approaches and radar like services at locations that currently lack radar service. Add to that the provision of traffic and weather capability in the cockpit and we have a capability that enhances safety and the utility of GA.

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FAA PRIORITIES

So, what are the critical next steps for the FAA and what should be the related investment priorities? **The most important message from the Task Force is that the FAA must bundle technology, infrastructure, and procedures; streamline processes; and partner with the operators and other key stakeholders to deliver near-term NextGen capabilities at specific locations by dates certain in order to deliver benefits and maintain the industry commitment to NextGen. This is more complex than delivering individual infrastructure programs and will require a new way of doing business.**

What should be the FAA's investment priorities for the next few years?

1. **Commit to Locations and Dates:** Deploy operational capabilities at locations and by dates agreed to with industry, via the NextGen Task Force and post Task Force collaboration.

   This will require plans and deployments that span programs. It will require a new way of rolling out NextGen that concentrates on delivering capabilities when and where they are needed, and not necessarily to all centers, Terminal Radar Approach Control (TRACONs) or towers. The business case for user NextGen investments is contingent upon these locations and dates.

2. **Drive Implementation from a Single FAA Plan:** Modify existing NextGen Implementation Plan (NGIP) and related detailed plans to ensure full coordination across current programs needed to deliver expected benefits

   The industry will base its commitments to invest and implement capabilities on the commitments that the FAA documents in the NGIP. It is essential, therefore, that the NGIP is the sole driver for implementation of every aspect of NextGen and that it has the support of all relevant entities inside the FAA.

3. **Deliver capabilities that provide benefits from existing equipage:** Embrace the airport/metroplex-centric approach to NextGen, and implement capabilities using existing systems and technologies such as Multi-Lateration, initial Data Comm, RNP and RNAV routes, enhanced data sharing among air traffic control facilities, airports, and operators, etc. Nothing will do as much to instill confidence in the program and, therefore, commitment to making the requisite investments.

4. **Deploy Comprehensive Solutions:** Ensure that all aspects of each suite of capabilities are accounted for in plans and that all the necessary resources are available to achieve the desired outcome.

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Outcomes must be tied to the delivery of user benefits, not simply meeting programmatic milestones. Successful outcomes will require a new level of interdependence across programs. The Task Force Report included details of all the elements of each capability that must be implemented to achieve full benefits, including training, airspace modifications, procedures, operations approval for airlines, and certification of new equipage. FAA must change its way of doing business, and require coordination across programs to ensure that all elements necessary to achieve full benefit are completed. For example, the

ADS-B Program and the DataComm will rely on the En Route Automation Modernization (ERAM) program to deploy its full set of applications, without which little benefit is achieved. Investments in system engineering and integration will be critical to the successful delivery of NextGen capabilities.

5. **Launch Joint Implementation Teams:** Establish and fully fund joint government-industry implementation teams for each bundle of capabilities at specific locations.

   Once the FAA and industry have agreed on the roll out of capabilities, by location and date, the FAA should fund the establishment and execution of multiple implementation teams with single points of accountability for each.

6. **Streamline Processes:** The Task Force highlighted the need to streamline processes, most notably the process of establishing new RNAV and RNP procedures, as well as the process of obtaining operations approval to use new equipage. Streamline the certification process for new equipage. It is also important to note that the FAA should have a comprehensive plan for upgrades so that there is a positive business case each time the operators are asked to invest in an upgrade.

7. **Assign Accountability:** Assign leadership from the top of the agency to ensure a point of Responsibility, Authority and Accountability for implementing near and mid-term NextGen according to commitments made in the NGIP. No individual organizational unit can succeed with NextGen unless all of the FAA succeeds. It takes top down direction to usher in the necessary institutional and cultural changes that will be needed to drive to a successful outcome.

8. **Incentivize Equipage for NextGen:** The Task Force concluded that there is no one-size-fits all for providing best service for best capable; what the FAA refers to as Best-Equipped, Best-Served (BEBS). The ability to provide an operational benefit for equipage depends upon the capability and the location. For example, not all airports afford the FAA the opportunity to segregate ADS-B-equipped aircraft to provide expedited access since not all

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airports have enough runways to run such an operation. In many locations with limited runway capacity, it is not possible to provide expedited services to equipped aircraft and therefore not possible to provide an operational benefit until 80% or more aircraft are equipped. In such cases, it might be necessary to provide financial incentives to encourage early equipage. For other capabilities, such as expediting reroutes of aircraft around unpredicted severe weather, those with DataComm can receive preferential treatment no matter what percentage are equipped so that true BEBS can be achieved early in the program.

As described at the beginning of this statement, it is imperative that if the resources are provided to help operators equip for NextGen capabilities that the FAA provides requisite resources, not just infrastructure but also all the other things the FAA must do be able to take advantage of that equipage, as outlined by the Task Force Report. Absent attention to the other details, it is likely that the government could spend millions of dollars and not lead to measurable improvement in the performance of the Air Transportation System.

CONCLUSION

Some have asked whether the FAA can afford to implement the Task Force recommendations as well as the NextGen vision. The answer is that we cannot afford NOT to implement these recommendations.

First, we do not yet have a crisp enough definition of the vision to implement it. But more importantly, the Task Force recommendations solve very real and current problems while laying the necessary ground work for the longer-term NextGen. Successful implementation of the recommendations will instill the confidence necessary to ensure continued commitment on the part of the operators to make the necessary investments in NextGen. ***"Build a little, test a little"*** is not just a risk mitigation approach for the FAA's programs, it is the only way to keep the partnership with industry that is critical to the ultimate success of NextGen,.

NowGen Next is, in effect, the risk mitigation program for NextGen.

Thank you for the opportunity to testify on this important topic. I'd be pleased to address your questions.

Mr. OLVER. Thank you very much. As others return—Ms. Roybal-Allard had to go to a specific thing that was occurring at 3 o'clock, and she should be back in probably 15 minutes or so. But others will return, I think. We will go through rounds of questioning here in the usual way, five minutes per person, and back and forth as appropriate.

TASK FORCE FIVE REPORT

Ms. Jenny, you have already said that each of the organizations, each was present in your task force. Is this the task force that came up with the task force five report?

Ms. JENNY. Yes.

Mr. OLVER. What is the five for?

Ms. JENNY. It is the fifth time that RTCA has had a task force.

Mr. OLVER. Ah, number five task force.

Ms. JENNY. And it is the fifth one.

Mr. OLVER. Now just as a question, would individual airlines have been also represented as well as Mr. May for the Transport Association?

Ms. JENNY. Yes, yes. We had representation from ATA as well as a number of airlines.

Mr. OLVER. And did you also have several of the major airports represented there?

Ms. JENNY. Well, actually, we had—Airports Council International was the main representation for the airports.

Mr. OLVER. Would there have been other employee members who are stakeholders, employees of the FAA or just traffic——

Ms. JENNY. We had members of the FAA involved in the task force, yes. And NATCA was a major participant as well.

Mr. OLVER. Okay. And I do not know what to ask. How many of the manufacturers might be in there, as opposed to the trade association as well? You can have a lot of people.

Ms. JENNY. And for the manufacturers also we had——

Mr. OLVER. Individuals and organizations——

Ms. JENNY. Yes.

Mr. OLVER. I think you said 141 organizations, something like that.

Ms. JENNY. It was a lot.

Mr. OLVER. Well, I would like to ask each of you, in looking at that, you have a report, which I take it is at least a consensus report, if not a unanimous report. There may be some people—you did not have minority views or anything like that.

Ms. JENNY. That is right.

Mr. OLVER. You had a consensus report.

Ms. JENNY. We had a full consensus, yes.

Mr. OLVER. I would like to ask—each of you must have a sense of what is the most important thing that has to be done here to achieve success, and what the largest barrier might be to achieve success. And I do not want you all to say that you need a plan, you know. I have heard you, Ms. Jenny. That is one of your keys here toward the end of your testimony, which was you have to have and work from a plan. But the plan is actually very complicated. I use the analogy that this was a multilayered sort of three-dimensional matrix of things that have to happen, and I am having a hard time figuring out which ones have to happen first.

If there is something—if it is a sequential thing that there is something that has to happen first before you can take the next step, you can take a long time getting from the beginning to the end. So a lot of things—there are a lot of moving parts, many of which have to move together, it seems to me.

So I do not want you to just all say a plan. So let me see. Let me leave it to each of you in turn, and I will turn it around. Since you had the last speech, I will let you start out, Gina, as to this. What is the most important—in your mind, what do you think is the most important to achieve the NextGen agenda, and what is your largest barrier. And I will put it that way.

Ms. LINDSEY. Because I am not a technological expert, I will tell you what I think the end result is that we need to see from the airport perspective. We need to see the better ability to track and understand exactly where the vehicles that are approaching our air field are, and where are the vehicles that are on our air field.

We have a particular problem at LAX with runway incursions. You may have heard that airport referenced several times in the vernacular of runway incursions. Sometimes those are airplane to airplane. Sometimes those are ground vehicles to airplane.

NEXTGEN

The biggest thing that we think NextGen is in the near term going to provide for us from an airport standpoint is much better situational awareness as to where all the vehicles that happen to want to access an airfield really are. How that can happen—having worked a little bit with NextGen, I know just enough to know that it is really fuzzy, and the confusion that you confessed, I share 100 percent.

I would be asking FAA every year in the budget exactly what—if I am going to give you this amount of money for NextGen, what are you going to produce for me that is going to use that money, and how am I going to know from the committee's perspective that you, FAA, have actually done what you said you were going to do.

Mr. OLVER. Okay. I think I need to let each of you have one minute. There are two sides of a coin I have asked for. What do you think is the most critical thing that must be in order to achieve the results, and then what is the biggest barrier.

Ms. GILBERT. Can I take my whole minute on the barrier part?

Mr. OLVER. I do not care.

Ms. GILBERT. Okay. Thank you very much. In order to get to where we need to go with NextGen, or any technological issues we have currently in place and trying to deploy, the agency has created the stovepipe, which Margaret Jenny referred to, that does not allow them to make any decisions quickly, thoroughly vet things, involve stakeholders. They really have struggled with dealing with the fact that they have en route as one line of business, and they have terminal as another line of business, safety as another, AOV as another, and none of them cross over and talk to each other.

So in order to resolve anything, you have to go all the way to the top and get resolution by the administrator. And Administrator Babbitt cannot do everything. So until he breaks down those stovepipes and starts working as one agency, it is going to be very difficult to address a lot of the issues within the FAA.

Mr. BUNCE. Mr. Chairman, I think that if you really look at it, if we figure a way to incentivize equipage—as Mr. May pointed out, this is not new technology. It is out there today. And if we can figure out a way—some of it costs money, some of it does not—to be able to incentivize people to equip, we will be able to reap the benefits of NextGen sooner. And this is a problem for all us, industry and government. How are we going to do it? Is it this infrastructure development bank? Is it thinking about real estate in the cockpit now as leasing some of it, like we lease land to put a radar up? Is there something we can do with loans, grants, however we do it.

If there is a way to accelerate it, we will be able to start seeing the benefits, because if we wait for the mandatory equipage, time lines that are out there then in 2020 we are all going to be asking these same types of questions. So I think if we can figure out a way to incentivize, there are a lot of other things that we can do in the short term then to be able to make this usable, and our controllers will be able to do remarkable things at our airports, and our operators will be able to do tremendous things, if we can get this equipment deployed and get it up in the aircraft, because the infrastructure is already planned to be out in the ground to be able to use this new satellite based technology.

Mr. OLVER. I have to infer from your comment that incentivization is a very important thing, but that also the barrier has to be how to do the incentivization because you did not separate a barrier out, and that comes down to some money somewhere along the way. What are going to be those incentives?

Mr. BUNCE. Yes, sir, absolutely.

Mr. OLVER. Okay. Mr. May.

Mr. MAY. Thank you, sir. I think the biggest need is to recognize that we have to establish as a country, starting at the highest levels of government, all the way down, that NextGen, NowGen, whatever term you want to use, is a national priority, much as Dwight David Eisenhower made imposing the interstate highway system a national priority back in the 1950s. Put leadership in place to get it done.

There is an old saying about lead or follow or get out of the way, and I think you need an understanding that we need leadership like that to be able to drive this process, which is terribly technical, terribly complicated. It is one of the toughest management jobs in the world. That is one of the biggest challenges. Put somebody in charge, hold them accountable, and make it a national priority, give it the funding that it needs to have.

This Congress and this administration gave $10 billion to high-speed rail. High-speed rail will not be with us for 10 or 15 or 20 years. Let's take some of that money and put it against a technology that is here today that will create jobs today that will make a major difference. We are spending $40 billion a year as an economy putting up with delays caused by an aged air traffic control system. Let's make it a priority and do something about it, and provide the leadership to get it done.

Mr. OLVER. Okay. Ms. Jenny.

Ms. JENNY. Yes, thank you. I think the biggest need is for us to actually deploy things that are going to have a measurable—lead to a measurable improvement, resolve some of the congestion and delays that we are seeing in the system right now, and to show that we can do that with existing capabilities. As Jim said, there is a lot out there. We need to show that we can actually deliver benefits. There is a history of making investments in new equipage and not getting the benefit, and that happens because all of the other things do not get done, the training, you know, changing the air space, doing the procedures. So I think we need to really tie this to delivering benefits and show that we can do that.

The biggest barrier, I think, to moving on NextGen is the lack of trust and confidence that we can do it. And so you cannot get the teams. For NextGen to work requires operators, all the stakeholders and the FAA together to make investments, to synchronize those investments. So we really need to put—we need to prioritize. We need to pick where we are going to go next. If we decide we are going to go to New York and fix it, put all the things together that we need to do there, put the teams together with all the stakeholders, and get everybody to commit to not walking away from that, and actually show that we can do it.

And I think from the perspective of those who will invest, they will be more likely to want to invest in the Next Generation of equipage.

Mr. OLVER. I have to say to you that I expected you were going to say “confidence,” essentially, was going to be the biggest barrier, that we really were going to be serious in order to do this. I am going to give my ranking member 10 minutes, but I am going to take about 30 seconds to just say that when we had Secretary LaHood earlier this year, I had made a comment that I have been on this committee now for quite a period of time, and either the ranking member or chairman for—this is my seventh year, I guess, at that level. And we have been talking about this for some time. And I said, I do not want to see this being done in 2020 or 2025 or something like that. This ought to be done within 6 to 10 years, and he agreed immediately, without hesitation. Whether it can be done in that 6 to 10 years—because it is not very complicated. And with that, I will go on to—Mr. Latham, you have 10. I had a question that ended up taking more time.

Mr. LATHAM. I enjoyed every minute of it. [Laughter.]

I really did. Does what you just said come out of my time now? [Laughter.]

Mr. OLVER. Start it over again.

ERAM

Mr. LATHAM. I think we will be very flexible today. It is really interesting, in listening to your testimony here. I came up with some thoughts that were not in the normal questions here. But with the air traffic controller—I was just somewhat shocked and appalled. You said that during the ERAM, that you were not involved at all? I mean, this to me just is unbelievable, that a control system would not involve the controllers in the development of the plan.

Ms. GILBERT. We were not. We just recently, January of this year, started to get involved in both NextGen and ERAM. So we jumped on that moving train because we need to. It is important that we deploy safe and reliable systems. So now we have our workforce, our first line workforce, working hand in hand with the agency. We are having a difficult time getting them to understand our concerns and address them, but we are working within the agency to try and get that to happen.

We have critical issues at Salt Lake Center, which is the key site. We have seen them at Seattle. And then they also brought a Minneapolis center up as a key site, as an alternate because of the Olympics, but they have not taken it down, which also concerns us because the more facilities they have involved, the more of an impact as to the national air space system.

Our position is that the FAA has abilities along with the contractor to test the system, either at the tech center in Atlantic City or via shadowing the host in the facilities, and they do not need to do it on live traffic, and they can work out the bugs that way, identify them, take it back to the contractor and fix them, and then deploy a system that works.

As we get further east into the busy facilities, the concern increases with us exponentially. The failures we are seeing in slow facilities like Salt Lake and Seattle. So yes, we are starting to get involved, but just as——

Mr. LATHAM. Would you like to raise your hand and say, maybe the controllers should be part of the control system?

Ms. GILBERT. Absolutely, we did. We actually have been asking to be involved for a very long time. And in fact, we were involved in the RTCA because we joined them as a member of the RTCA and paid our fees like the other ones involved in the group because we were kind of shut out for quite a bit of time under the previous administration. So that is why we are starting to jump on these programs. We definitely wish we had been involved in the development and testing, and not just as they are deploying.

Mr. LATHAM. Okay. That is absolutely incredible. To try to get, what, 300 stakeholders or whatever together, and you have a total unified—I mean, you normally cannot agree whether it is daylight or dark outside.

Ms. JENNY. This is why we have only had five in the 60 or 70 years we have been around. [Laughter.]

Mr. LATHAM. Do you have confidence that they are going to—I mean, the FAA said they are going to listen to you. They have pretty much ignored you in the past. Do you have that concern again?

Ms. JENNY. That is a good question. So far, I think, as the—we have established, and they asked us to establish, a group afterward, another working group that really is constituted by all of the leaders of the task force. And we have been fairly closely with the FAA since September. I think the leader of that, Captain Dixon from Delta Airlines—the way he puts it is the glass is half full at this point. The jury is out. We are still having to stay very close and understand exactly how these are getting integrated into their plan. And I think until we see—you know, the FAA can take or leave some of these recommendations, and we are not saying they need to implement everything as said. But there needs to be transparency in how they are doing that. And what we are really going for is understanding specific dates and specific locations.

The reason that is important is that when we ran the task force, we did not allow anybody to even put a candidate operational capability on the table to be a recommendation if it did not even have at least one operator who was committed to investing in it at a set of locations. And for the operators to close their business case on that investment, the pay-back period is very important. So if they do not get it implemented by a certain date, we lose that commitment.

So we are in a kind of a back and forth now, trying to keep this to be a very constructive back and forth kind of dialogue. So I think we are still watching. We are going to stay in place until at least September working with the FAA, and then we will assess it at that point.

FIXING METROPLEX AREAS

Mr. LATHAM. Okay. And you will let us know, if you would, please. In your testimony, you talked about fixing the metroplex areas like New York and Chicago, major areas, and they seem to be very hesitant to work in Chicago and New York, where the air space is very complex or most complex, and some of the delays are the worst. Should they try to succeed someplace else first, or what is your position?

Ms. JENNY. That is probably the number one question, is where to start. So I think the trade-off——

Mr. LATHAM. I would have thought the Chairman would have asked that then. I am sorry. Go ahead.

Ms. JENNY. Oops. It is an important question. The trade-off is that you get the biggest bang for the buck if you go where the biggest problems are. But you also have the highest risk associated with that, some of which are out of the control of the FAA or the airlines or the airports.

I think probably a prudent approach is to start somewhere and learn, or to start in several places. And what we are trying to do is put together TIGER teams and do several different implementations of the bundles of capabilities, and learn across what we learn from one and apply it to the other. So the task force delivered a number of cities as their recommendations. And what we are trying to do now is find a way to bring everybody together and decide jointly with the FAA where do we go next, and what is going to be the order.

Mr. LATHAM. Mr. May, if you would like to respond.

Mr. MAY. Yeah. This will come as no shock to Margaret because we have had some long discussions on this point. The New York metroplex counts for about 12 percent of operations in the national air space. It counts for 52 to 53 percent of all delays. You have to take it on. It is a tough nut to crack. It is rife with local politics because of the noise considerations, the environmental lawsuits over noise. You have got members of the business community that are desperate to have us improve the air space there. And at the same time, you have got a lot of politicians in that area that are worried about the environmental concerns.

So there has to be a redesign of the air space. It has to involve our friends the controllers, who know more about that space than anyplace else. If you do not redesign the air space first, in our judgment, you are going to be layering new technology on faulty air space design.

You have got Teterboro, you have got Newark, you have got LaGuardia, you have got JFK. I think there are a total of 19 towered airports in the air space. So you have to take it on. It may take you longer. You may learn some lessons in Philadelphia, where you have got a test bed project on ADS–B underway that you can apply there. You may decide that you want to have a best-equip-for-serve policy you want to put into a test bed there.

There are a lot of different issues. But you simply cannot ignore New York and say it is too tough. We will learn our lessons in some smaller market. If you are going to take on where the delays are, the same thing with RNAV/RNP. These are procedures that are critically important to Next Generation. If you put them in place at small airports around the country, that is terrific. That is wonderful. I am glad for it. But putting RNAV/RNP into Boise is not nearly as important as putting it into place in a lot of other major markets in this country, where it is badly needed to see the really measurable changes and improvements that you need.

Mr. LATHAM. That is very interesting and enlightening. I wonder, was there a discussion about where to go and priorities? And you mentioned the high concentration, your busiest areas. If we were to have done this ten years ago, we probably would have—and a couple of place I fly through—St. Louis probably would have been pretty busy. Cincinnati would have been really busy. And we have seen with the consolidation with the airlines today that, I mean, you go to St. Louis today, and I love to fly through there because it is direct and it is good for me—and Cincinnati, which now with the consolidation of the Northwest, I cannot fly through there anymore. But their traffic is way down.

You go to St. Louis, and you can shoot a gun down the terminal and—not that I would want to, Mr. Chairman. But, you know, you would not hit anybody because there is nobody there.

So, I mean, was there any discussion about what just looking forward, that we are not putting all this money into places that maybe will not—you know, no one knows what the market is going to do. That is the problem.

Ms. JENNY. The way that the priorities are put together, where we had a large number of airlines and, you know, the Airports Council International all involved, and it really was predicated on a number of airlines wanting and being willing to step up and invest.

I think another one of the reasons that New York, aside from the fact that it is the biggest problem, and if you fix it, you fix a large percentage of the delays that ripple through the system, is that unlike some of the other larger airports where there are one or two key carriers that have maybe as a hub, and those change, when you look at some of the airports in New York, places like JFK, or the whole New York area, there is not one—at that airport, it is not, you know—there are a whole lot of airlines there, a small percentage of each airline.

So that again gives you another challenge to resolve. And I think it is another reason that in the task force report, there was definitely a focus on New York as a place that we have got to put some attention to.

Mr. LATHAM. Thank you, Mr. Chairman. I see I am out of time.

Mr. OLVER. Your timing is fine.

Ms. ROYBAL-ALLARD. I apologize for having to leave, but there are several things going on at the same time. I do want to welcome all of the panelists, especially Ms. Lindsey, from Los Angeles.

NEXTGEN

Ms. Lindsey, Los Angeles International Airport is the world's busiest origin and destination airport. In total traffic, LAX is the sixth busiest airport in the world for passengers, and it ranks 13th in the world in air cargo tonnage handled. In 2008, the airlines of LAX served 59.8 million passengers and handled 1.8 million tons of freight and mail. LAX as an annual economic impact of $60 billion. One in 20 jobs in southern California is attributed to LAX operations.

So clearly, an operation of this magnitude must have special needs to meet the demands of commerce and the flying public. My question is, how can this committee support your efforts? And if there is one issue that this committee could consider to give maximum funding opportunities to large airports, what would it be?

Ms. LINDSEY. Thank you, Congresswoman. We have spent a good deal of the time over the last half an hour talking about NextGen. And that is critically important for airports as well as for airlines and for the FAA. From our viewpoint on the ground, however, it is very important that we have the facilities in place so that the airlines and the FAA can take maximum advantage of the technology that will be implemented with NextGen. So it gets a little bit mundane in a way, but we actually have to have airfields and taxiways laid out in such a way that the NextGen technology can be used most efficiently.

In order to have that, we need to have a reasonable funding structure. Now I am not here to say we need more general funds because there is a long line of folks that are there to do that. I am suggesting that there are a couple of things that Congress and this committee could do that will help us be able to leverage our own revenue stream.

From the broad congressional standpoint, increasing or extending the holiday on the alternative minimum tax is hugely important to us. I will just give you an example. We are going to the market next year—next week—we better do it next week because the interest rates are good—with about $900 million of revenue bonds. We expect to save about 100 million because of this current AMT holiday. If we can have that extended for a couple of years, that will help airports greatly.

When we get to the purview of this committee in specific, I mentioned the formulas for distribution the AIP grants. Because some airports are so behind in actually investing in infrastructure—and even though that may sound like it is a parochial issue for an individual airport, it affects the entire system if one very important airport, like LAX, which handles a great deal of traffic, is not capable of handling the NextGen possibilities.

I believe FAA needs to be instructed to wait in determining how the grants are distributed, put a high value on infrastructure repair and reinvestment. Historically, the discretionary money has been given out with a very high value to capacity enhancement. I do not know that our future looks at a huge growth. We, I think, have the challenge of reinvesting in existing facilities, and AIP, if it were reconfigured so that that was highly valued in FAA's distribution formulas, that would be of great benefit.

AIR TRAFFIC CONTROLLERS

Ms. ROYBAL-ALLARD. Okay. Thank you. Ms. Gilbert, we have been hearing for some time about the wave of retiring air traffic controllers. And in response, this committee has appropriated funding to help the FAA meet the challenge of recruiting, hiring, and training the replacement of controllers. As vice president of the National Air Traffic Controllers Association, in your view, are there adequate levels of air traffic controllers in our towers and radar facilities across the country, and is there more that the FAA, this Congress, and this committee should be doing?

Ms. GILBERT. Is there enough right now? Our concern is not the sheer numbers. It is the amount of air traffic controllers that are fully certified to be air traffic controllers. We have—well, if you look at Administrator Babbitt's testimony and his numbers, he shows closer to 40 percent of our workforce has less than five years in the FAA.

Our numbers are much lower than that, closer to about 30 percent of our workforce less than five years in the FAA. Being that it takes three years to certify, about a quarter of our workforce are still in training. Those are our biggest concerns right now.

However, we have other issues that are of more concern than that, and that is the placement of those they are bringing into the workforce. Never before they imposed the workers on us did they put people that came out of the academy straight into the high density facilities and expected them to be successful there. We have had great numbers of failures in those areas. There were no training programs set up to take somebody from the academy to full performance level, like at LAX or in Atlanta or at Dallas-Fort Worth.

So that is a big issue as well. And secondly, or thirdly, the issue with the retirement bubble concerns us because we lost 11,000 controllers in 1981. And 20 to 25 years later, when we saw those eligible retire, and their pay was frozen, they left. We lost about 4,000 air traffic controllers who were controllers then. That is why you see the large number of trainees in the workforce now.

In order to not see that 20 years from now, we need to continue an even-flow hiring to be able to deal with the growing traffic and to deal with the retirement bubble that we will forecast to see in 20 years.

Ms. ROYBAL-ALLARD. Are you giving me more time?

Mr. OLVER. Do you——

Ms. ROYBAL-ALLARD. No. If Mr. Latham has other questions——

Mr. OLVER. No. Ms. Lindsey had brought with her testimony, which of course people in the audience do not get a chance to see when one thinks about what Los Angeles' problems may be—that is why when she talks about intersecting runways and taxiways and so forth to deal with traffic. But the other picture, I think, really is what lays out why it has to be so complicated there, because Los Angeles is exceedingly constrained in its space, and there is no place else that they can go. So they have got to figure out how to do it there, or else all the expansion has to go to Ontario and John Wayne and other places like that in the peripheral.

You have only Ontario. Well, Ontario and one other one. What other one is it?

Ms. LINDSEY. Ontario is the only other commercial service airport that we have in our portfolio. We have Van Nuys, which is also one of the busiest general aviation airports in the U.S.

Mr. OLVER. But there are two other relievers of the equivalence close to Ontario, are there not? There is one in Orange County?

Ms. LINDSEY. There is Burbank and there is Orange County. And those are not actually——

Mr. OLVER. Just called John Wayne?

Ms. LINDSEY. John Wayne, correct, John Wayne, Orange County.

Mr. OLVER. Yeah, okay.

Ms. LINDSEY. Right. And then there is Long Beach, which is a little bit south. So there is complicated air space there.

Mr. OLVER. Some places it is complicated air space. We are all friends here, I think, for the moment maybe. Comments by you, Mr. May, on this, you are saying going to the air space redesign. Well, I thought we had done the air space redesign before we did Potomac Tracon.

Mr. MAY. Not in New York.

Mr. OLVER. Not in New York.

Mr. MAY. Let's put it this way——

Mr. OLVER. Obviously not in New York.

Mr. MAY. It has been underway for 10——

Mr. OLVER. No, no. Was it not done in Boston and in——

Mr. MAY. Yes, it has been done in other markets.

Mr. OLVER [continuing]. Potomac? Was it done in northern and southern California?

Mr. MAY. I do not know the answer to that question.

Mr. OLVER. Before? You do not know.

Ms. LINDSEY. I do not know the answer to that. I have been there two and a half years. It has not been done in the last two and a half years. It might have been done five or ten years ago.

Mr. OLVER. Okay. But you are suggesting, in the case of New York, you have almost got to do that before you can do other things.

Mr. MAY. Or at least simultaneously.

Mr. OLVER. Or at least simultaneously. We sort of passed over that with Mr. Babbitt earlier today. And it was not clear. This is why it gets so very complicated here.

Mr. MAY. But the point is in working on major markets like LAX, I mean, it is critically important to go after NextGen in those large markets. And she has an absolute point to be made about the ground infrastructure that is of equal or great importance. But we have got to attack the big markets because that is where so much of the delays——

Mr. OLVER. Is the reason we have not gone after Chicago, which must be also a very complicated one, that the Chicago Airport is in such a major capital investment program on the ground at the present time, before——

Mr. MAY. Well, you would have to ask the FAA why they have not gone after Chicago. But they just opened a new runway there, which has made a huge difference. Now they have to deconflict with Midway.

Mr. OLVER. Yeah. But they have got a whole bunch of other things to do. That was only the first phase of at least a three-phase——

Mr. MAY. Right.

ADS–B

Mr. OLVER [continuing]. Capital investment program. And then, Mr. Bunce, you had made a comment, which I made a note—a comment in your written testimony suggested to me that you thought we had to have ADS–B in a lot of places. At what level are we going to—how far down the list of airports are we going to have ADS–B? Or is it going to be ubiquitous? Everything that has scheduled service?

Mr. BUNCE. Sir, do not think of this equipment as needing to be on the airport. Think of equipment that is about the size of refrigerator deployed on many sites throughout the country that go and take a signal from the airplane that says, I know where I am because I am getting all of these satellite signals.

Mr. OLVER. But we speak of it being deployed at Louisville and Houston, and Philadelphia being next, I guess.

Mr. BUNCE. Yes, sir. So what that means is that—take Louisville. So UPS has put this equipment in their aircraft. They have these small ground stations on the ground, and they can now use this capability to be extremely efficient in getting in and out of the airport.

Mr. OLVER. Okay. We have deployed something at Salt Lake, the en route control center process. Let me ask you—it was a question I asked at the very end this morning, which was are we going to have—they were talking about 22 en route air control centers, air traffic control centers. When NextGen is completely deployed, are we still going to have 22 of those, or would we expect to have less? Anybody want to comment on that?

Ms. GILBERT. I will take that one if that is okay. We have 20 en route air traffic control centers. I worked 21 years at Houston Air Traffic Control Center. And with proper technology and equipment in place, you certainly can consolidate those facilities. I did hear a comment that you could go down to one. I would caution—

Mr. OLVER. I heard that one.

Ms. GILBERT. Yes.

Mr. OLVER. It was suggested that technologically one could go to one.

Ms. GILBERT. Technologically, if things are deployed properly, tested properly, and developed the way they should be, you could get—consolidate down to much fewer facilities than we have right now. We are not opposed to that.

Mr. OLVER. When NextGen is completely in place, in your view—maybe you, having been sort of the head of the task force with Tracon—that next level down, are there going to be 150 of those? Or what would you say?

Ms. JENNY. Yeah. I think it is the same thing that Trish said about the en route facilities. So, you know, the en route is what controls the traffic when they are at, you know, cruise altitude, and then the Tracons take them in and out to get to and from the airports. So you will need those, that kind of capability for the individual airports.

But in a NextGen environment, the air space could be designed differently, and so you would have larger terminal air space. And, you know, ultimately I think where we are headed is—where we are right now is that in the en route, the cruise part, where there is a lot of air space, is where we have all of our structure. And we are trying to move to having that be more flexible, and then having more structure in the terminal air space to——

Mr. OLVER. Okay. But right now, we cause a lot more noise, use a lot more fuel, use a lot more miles and approaches and so forth by the fact that we go at levels and then down a level and then down another level. And if one can go to incremental approach, which I think requires air space design——

Ms. JENNY. Yeah. That is what——

Mr. OLVER. But it must also require all of this equipment in place.

Ms. JENNY. No. We are able to do some of the optimal profiled descents now.

Mr. OLVER. This morning I asked for a seminar from them as to just what comes in what order and how would they fit together. And I am hearing that there are things that can be done at the same time at least. But you are suggesting that you do——

Mr. MAY. There is no required sequence.

Mr. OLVER. Go ahead.

Ms. JENNY. Right. But the essence of the task force is that right now, even before we get to things like automatic dependent surveillance broadcast and some of those technologies, we have technologies in place at some of the airports, the wide area—the multilateration, the ASDE–X, or the airport surface detection equipment. On top of that, you can put in decision support tools for the controllers and those in the ramp towers to help them have situational awareness of where everything is on the surface, and manage that traffic better.

All of that is doable with what we have got today. Then you move to the Next Generation.

Mr. OLVER. Okay. Well, I am going to give my Ranking Member 10 minutes again, and then we will have 10 minutes from Ms. Roybal-Allard, and probably we will be ready to quit, as you wish.

GROUND DELAYS

Mr. LATHAM. Thank you, Mr. Chairman. It is an interesting discussion. When you talk about congestion—and I think you touched on it. There is a lot of concern on the ground, on the surface moving around. How much of the delays and the congestion problems we have, say in the corridor, are caused by what is going on on the ground? When you have Chicago, that has that additional runway apparently—I mean, I have flown through there several times since they have done that, and there is not nearly—I used to avoid it like the plague because you knew you were going to be an hour and a half late out of Chicago all the time.

And now everything I have seen so far, they have been on time with—the whole system seems to have loosened up. How much of it should be on the ground? I mean, NextGen is great, but would it be cheaper, more economical? Would we solve the problem more readily if we focused more on the surface right now? Anybody?

Mr. MAY. I do not think you can limit yourself to the surface versus the air space, Congressman. What we are trying to get to is a reliance on technology that allows us to work with the controllers and not be required to go from point to point to point to point in the air space, and fly more optimized and direct routings, to be more fuel efficient, to have continuous descent approaches, which are——

Mr. LATHAM. Much more efficient.

Mr. MAY [continuing]. Provide far less noise, and take advantage of all of these new technologies. And as Pete says, very accurately, some of this is going to be equipment on the ground, some of it is going to be equipment in the aircraft. A great part of it is going to be having the partnership with the controllers to have the kinds of procedures and policies in place that allow that technology to be better used. And I am not sure that I could say that delays are 51 percent as a result of air space and 29 percent of ground. But it is a combination of the entire map.

Mr. LATHAM. Okay. Ms. Lindsey, I think looking at your map, and as pointed out, I think part of—it is even a safety issue because of the noise abatement that you have some airplanes crossing runways because they cannot turn or they cannot take off, and they have take over on top of the field again.

Ms. LINDSEY. Yes. You will see on that map there—and the way it is shown here, actually north is up. And on the north—there are two complexes, the north complex and the south complex. Ah, thank you.

Mr. LATHAM. The audience loves that.

Ms. LINDSEY. And the communities are very, very close. Part of what NextGen is going to provide for us is to be able to much more precisely allow the aircraft to approach, both of these airfields, so that we minimize the noise impact on the communities that are surrounding the airport.

But also, as you correctly identified, these are runways that are very close together. In 1960, that was fine because the wing span of the aircraft that were being used was very small. Now we have—twice a day we have A380s coming in. These are airfields that are not designed for A380s. So the capability in the air and technologically to very precisely control those aircraft that are bigger than this airport was designed for is very, very important.

Mr. LATHAM. Because of L six. Now there are——

Ms. LINDSEY. Six left, right.

Mr. LATHAM. They left. They have to turn left coming off of that.

Ms. LINDSEY. Right.

Mr. LATHAM. So they cannot go off because of the noise, right?

Ms. LINDSEY. This is actually the take-off runway. The inboard runway closest to the terminal—this is the terminal complex. And this is arriving runway. So the arriving aircraft—and some of the diversions that we have a problem with is that arriving aircraft wants to get over here to the terminals as quickly as possible. But if you have got an aircraft taking off on that inboard runway——

Mr. LATHAM. They have to cross.

Ms. LINDSEY [continuing]. These guys have to wait.

Mr. LATHAM. Right.

Ms. LINDSEY. So it is an issue that requires very precise vehicle management.

Mr. LATHAM. And I think the technology is what some day hopefully will solve a lot of things——

Ms. LINDSEY. Yes, it will help a great deal.

Mr. LATHAM [continuing]. On the ground and in the air.

Ms. LINDSEY. Yes, sir.

Mr. LATHAM. How much is it going to cost? And what is it going to do to private aviation to have to have the kind of equipment onboard the airplanes as you build them? I think you are not going to have any small people out there if they have to——

Mr. BUNCE. It has to very scalable, and it also has to be commensurate with the type of air space you want to operate in. If you want to operate in that complex air space near L.A. or in New York, you are going to be needing more equipment.

Mr. LATHAM. What is it going to cost?

Mr. BUNCE. It ranges. You can buy a piece of equipment for the light end of general aviation for this automated surveillance dependent broadcast—this is the first part of it—that just sends out that signal where you are—about $5,000 for the lightest airplane. That can scale all the way up to hundreds of thousands of dollars if it goes in some of Jim's aircraft. So it just depends on how complex. Then there is also installation part of it that goes with it.

Remember, this is just the very first phase. The next phase we have is data communications, where our controllers are going to be able to send signals to the cockpit over just like an Internet signal, like you would get on your iPhone, a text message type of thing.

So there are all of these technologies that we have a capability to use. Each one of those is going to have a cost impact on the operators. And that is why we very much are working closely with the FAA to try to phase this right because every time we take an airplane down to have to go and install that, that is lost revenue for the operators themselves, in addition to them having to spend the money for the installation.

So we are very concerned that we get this right. But if you look at those runways out there, and you think of those closely spaced runways, in a traditional approach, you think about a final approach, especially in the weather, that goes out 10 to 20 miles. That is why at night you just see all of these airplanes lined up out there.

These new approaches that we have on board will take you from altitude where you are not burning much fuel—you are able to pull the power back so you are not burning fuel coming down, and you are not putting the emission in the air, and also you are not making noise. What the chairman talked about when you do that stair step—every time you put the power up, you make noise.

So now we can draw these curved type of approaches that go rightly. They put airplanes over houses that do not traditionally have them on these very long approaches. But they are not going to be making the same amount of noise. And with NextGen, we are going to have between 10 and 15 percent fuel savings—that is direct emission savings, so that is dollar savings. And because we have got the equipment up in the airplanes, that infrastructure in the airplanes, the FAA can start divesting from the long maintenance tail of all of these different things on the ground that are out there, en route fixes and what is called VORs, some of these complex instrument landing system approaches that cost a lot of money.

So we can integrate these approaches that we already know how to build. If we can get capability to streamline environmental impact studies to be able to go and instead of overlaying this new type of approaches over existing ones, we actually draw these new approaches—if we can do that and figure out a way to streamline the environmental process so that we can use this capability, we can reduce emissions, save gas, save everybody money, and really get the system going.

AIR TRAFFIC CONTROLLERS

Mr. LATHAM. Okay. Very good. I like one thing that you said again, Ms. Gilbert. And we talked about it a little bit this morning, which I was interested in their responses this morning. But you mentioned about where the new controllers coming out of their training, where they go—some of them are going into the busiest, most complex control systems. And you do not think that is what they should be doing. You are saying it causes many of them to fail where they would not because they are put into that type of environment.

Now they said this morning that that is where they honor people's request. They do not want them to move. What do we need to do?

Ms. GILBERT. I am a people person. I represent the workforce and their quality of work life. So I admire that. What is happening, though, is you are getting people that are not taking the job and turning it down two and three and four times until they get the place they want, which is a resource drain on the FAA. Second, you are getting people going to places that they did not test high enough to go to.

When I went through 20 years ago to the Oklahoma City Academy, the higher test scores went into the higher density facilities. They have a much better chance of success testing higher, doing better. And then the lower test scores went into your lower level facilities. It might not be exactly where that person wants to go, but at some point, you have to decide what is best of the air space, what is best for the system. And I think they have gone away from that.

I believe they are looking at readdressing that. We have actually advocated putting a joint work group together to look at placement out of the academy.

Mr. LATHAM. And it is interesting because I thought it may be that at your request that that is the way they were doing—honoring the wishes of the people. But you are saying that you are more concerned about the safety and getting the right people in the right places.

Ms. GILBERT. Absolutely, because it affects the whole workforce. It affects the whole system. If somebody gets put into a facility that they just are not capable of being successful at, that is starting them out in a new profession as a negative. They fail, and now they have started their career in that kind of mode. It is not positive. It affects the rest of the work environment, those that train them. And in some cases, it can be unsafe.

Mr. LATHAM. I do not want my controller to be unhappy that day. I just really do not. [Laughter.]

Anyway, thank you, Mr. Chairman.

Mr. OLVER. Thank you. Ms. Roybal-Allard.

Ms. ROYBAL-ALLARD. Thank you, Mr. Chairman. I have to say, as someone who flies in and out of LAX almost twice a week, I always get more information than what I wish I had. [Laughter.]

Ms. LINDSEY. I am sorry.

Ms. ROYBAL-ALLARD. Mr. Latham just asked the follow-up question I had with regards to placement. So I want to ask Ms. Lindsey, you described the use of the airport improvement program as a more effective funding tool for smaller airports. Could you explain why it is not more attractive to airports such as the size of LAX? And do you have any specific recommendations or proposals for this committee beyond what you described in your previous answer?

Ms. LINDSEY. Yes. The reason it has become not a very important funding tool for larger airports is that in order to implement the passenger facility charge, which is another user fee that the airports needed to have access to in order to finance projects, airports had to give up 75 percent of what otherwise would have been their entitlements money.

So if that had not been the case, LAX would have entitlement funds under AIP of around 50 million a year. But because we have imposed a passenger facility charge of $4.50, which will gain us more money than the AIP entitlement monies—but we had to walk away from 75 percent of our AIP entitlement money so that now we get $12 or $13 million a year.

So if you look at the full menu of improvements that have to be done on LAX, and you are looking at about $13 million a year coming from a reduced entitlement source because of the requirement to give up other entitlements, it becomes much less of an important tool for airports. And, of course, it is used primarily on the airfield, which I think is fine.

I think there is a potential fix for that. It would be very easy for me to sit here and say, well, just restore that 75 percent of entitlement money back to the airports. But there are useful projects at small airports.

What I would suggest instead is to increase the amount of money, of discretionary money, that the FAA is able to award in grants. And historically, a lot of that discretionary money went to safety projects and to capacity projects. Clearly, there should be no diminution in the importance of safety projects. Those always have to be number one.

But I am suggesting for the committee's consideration that we make infrastructure repair and rehabilitation just as important as capacity projects, which have been the mantra that FAA has used in awarding letters of intent and awarding discretionary funds in the past. We have such decaying infrastructure that—and this is not unique to LAX. This is a countrywide problem. It is a multimodal problem. I of course am just speaking from the airport standpoint. Having AIP be able to value those kinds of projects I think is very important for our future.

Ms. ROYBAL-ALLARD. Thank you.

Mr. OLVER. Well, I could go on with other questions, but it does turn out that at least the two of us that are Democratic members have a caucus going on. I am not quite sure, but I am sure that Mr. Latham has other things that he would like to do as well. So I think we will let you go.

Mr. LATHAM. Tell Mr. Hoyer to put me down as a maybe. [Laughter.]

Ms. ROYBAL-ALLARD. Great. That is progress.

Mr. OLVER. Thank you very, very much for being with us today. Thank you for your thoughts. I may have to get back to you, at least for my own information. But I think we will not be back to you for anything more directly for the record. Okay? Thank you. Have a good day, and thank you for being with us.

TUESDAY, MARCH 23, 2010.

INTERCITY AND COMMUTER PASSENGER RAIL: MOVING PEOPLE SAFELY AND EFFICIENTLY (INCLUDING FY2011 BUDGET REQUESTS FOR FTA, FRA AND AMTRAK)

WITNESSES

PETER ROGOFF, ADMINISTRATOR, FEDERAL TRANSIT ADMINISTRATION

JOSEPH SZABO, ADMINISTRATOR, FEDERAL RAILROAD ADMINISTRATION

JOSEPH BOARDMAN, PRESIDENT AND CEO OF AMTRAK

CHAIRMAN OLVER'S OPENING REMARKS

Mr. OLVER. We will be in order. We are competing today with the White House, as you know, and I really did not want to give my Ranking Member the whole morning off. So I decided we would carry on and do hearings.

But actually, I know quite a number of the Appropriations Committees are doing hearings this morning, as it turns out. So a couple of my members, who are our members here, who are the Chairs of their own Committees, will not be here because of that, or they are going to be at the White House.

So anyway, I want to welcome Administrator Peter Rogoff and Administrator Joe Szabo, and President of Amtrak, Joe Boardman, to the subcommittee. Gentlemen, thank you for coming before us today to testify on the respective fiscal year 2011 budget request for the FTA, the Federal Railroad Administration, and Amtrak.

Rail presents great opportunities to expand transportation options and reduce highway congestion. Therefore, over the last year, this Congress and this Administration, your Administration, our Administration, have made unprecedented investments in our Nation's passenger rail infrastructure.

First and foremost, I want to emphasize the need to remain committed to the safety of our passengers in commuter rail systems as we invest and expand this infrastructure.

Earlier in the month this subcommittee held two hearings on intermodal freight movement, which highlighted the important role rail plays in the transportation of freight. Given that the U.S. freight and passengers typically operate within the same rights-of-way, as these sectors expand, we must develop methods to minimize conflict and ensure the safety of all users.

In order to address this, the Rail Safety Improvement Act of 2008 mandated the installation of positive train control on all lines that jointly operate passenger and freight traffic.

Last year Congress appropriated $50 million for grants to install equipment that improves safety operations and reduces the likelihood of future train collisions. Given that the FRA did not continue funding for this program in the 2011 request, I will be curious to know how the FRA intends to work with stakeholders to ensure that they are able to meet their estimated multi-billion-dollar safety obligations by the 2015 deadline.

Furthermore, I look forward to discussing FTA's $24 million proposal for the Transit Safety Oversight Program. It is my understanding that this request is intended to support the Administration's legislative proposal to establish FTA's safety oversight authority over rail transit systems.

Recent accidents, including last year's Metro tragedy, have highlighted the weakness of the current regulatory system and the need for cohesive standards.

In addition to safety, I want to reinforce the continued need by both this subcommittee and the Department to remain vigilant on providing strong program oversight. In January, the FRA awarded almost $8 billion to projects that expand passenger rail operations, and establish high-speed rail.

I am pleased that FRA's budget proposes supporting oversight of this program, with 31 new FTEs in order to ensure local authorities deliver quality projects on time and without waste.

That said, I am disappointed that the budget only requests $1 billion for high-speed rail in 2011. While I understand that when the President promised to provide $5 billion over five years, it was a strong statement of his commitment; but in light of the $2.5 billion the subcommittee provided in the fiscal year 2010 bill, and the $57 billion in applications submitted for Recovery Act funds, I believe the current request is inadequate to maintain the momentum that we have developed in the last year.

Last, I want to strongly encourage Amtrak to work with the Administration and Congress to take the necessary steps to ensure that the Northeast Corridor can fully access future high-speed rail funds. The Northeast Corridor is our nation's premiere passenger route, by total passengers served, and has opportunities to significantly reduce travel times and improve service quality along this heavily traveled corridor.

With that, I will turn to Mr. Latham for his comments.

RANKING MEMBER LATHAM'S OPENING REMARKS

Mr. LATHAM. All right. Thank you, Mr. Chairman. I do not think I am going to lose any of my members probably down to the White House this morning. And I will be very brief; they have got a statement here for me.

But I guess my concern, and I hear it all the time from home, that the one size does not fit all. We have got transportation systems throughout my district and through the state that rely on buses. They have got buses that are really old, dangerous, do not serve the needs. They are environmentally not friendly. And I am very concerned about any policy that goes forward with not realizing the challenges that are in place today, and do not meet those challenges.

And when you have massive increase in funding for other things, it is a real concern. And Iowans do not get back anywhere close to the taxes paid in to address what are most of their problems.

And so it is not a one-size-fits-all situation, where obviously, with the budget today at $1.6 trillion deficit, 44 cents of every dollar being spent this year is borrowed money. And so I think we have to be very, very conscious of where the money goes that is well spent, and actually fills needs, rather than some ideal that is out there in the future.

And just a realistic look at what the current situation is in many, many states across the country, and whether the new transportation plan really addresses what are actual real concerns of a lot of our constituents today.

So with that, I yield back. Thank you.

Mr. OLVER. Thank you. Your complete statements will be included in the record. And I will provide some flexibility here, we are going to have lots of time for questions afterward, especially if the Ranking Member and I are the only ones here. Once we get into the question period, we really have an opportunity to examine and see where we are on some issues. So I will give you more than five minutes, if you need it.

So go ahead, Mr. Rogoff.

MR. ROGOFF'S OPENING REMARKS

Mr. ROGOFF. Thank you, Mr. Chairman. I will try not to need it. So thank you, and thank you, Mr. Latham, for the opportunity to discuss President Obama's fiscal year 2011 budget for $10.8 billion for the Federal Transit Administration.

Importantly for 2011, FTA has restructured its programs and its accounts to better reflect how FTA's many programs fit into the Administration's priorities for public transportation. As such, there is a lot we can discuss this morning; but for the purposes of this oral statement, I really just want to focus on four issues.

First and foremost, the funding required for our new safety initiative, as the Chairman made mention of. Second, our request for significantly increased funds to address the state of good repair of the transit industry. And I would point out, Mr. Latham, our vision of the importance of state of good repair very much includes the bus universe; it is not just about rail programs.

Third, I would like to discuss our very successful interagency efforts with HUD and EPA to promote livable and sustainable communities, both in the urban and rural context. And fourth, our need for additional resources to support our core grant making and oversight functions.

As the Chairman pointed out, the Metro Rail crash in Washington this past summer was a horrific event. But even before this accident the FTA was focused on a number of very serious safety lapses. Those included lapses at the Chicago Transit Authority, the MUNI System in San Francisco, the T in Boston, and elsewhere.

In fact, just this past week we have had two grade-crossing incidents involving the light rail system in Salt Lake, including a fatal incident.

I want to emphasize, the transit industry is safe, but the Administration believes that it is critical that additional measures be taken to make sure that it remains safe, as our transit infrastructure ages, and as the experienced transit workers who know how to operate and maintain these systems retire in increasing numbers.

Unfortunately, the FTA has been prohibited by law from issuing safety regulations of any kind since the founding of the Agency in 1964. Instead, the oversight of rail safety has been left to 27 separate understaffed and underfunded state safety oversight agencies.

These agencies do not have the expertise, staffing, or enforcement tools necessary to compel the cooperation of the transit systems that they are supposed to oversee. There are also, quite frankly, some conflict-of-interest concerns in that some of these safety agencies actually are funded by the transit operators that they are supposed to oversee. This is a conflict of interest we do not allow in other areas of transportation safety.

The Administration found this weak and ineffective safety regime for rail transit to be inadequate and unacceptable; and as such, back on December 7 of last year, Secretary LaHood formally transmitted President Obama's legislative proposal for transit safety reforms to the Speaker of the House and the President of the Senate.

We urge Congress to move forward with our Transit Safety Reform bill now, and we ask the collected Members here for any help they could provide in moving that bill forward to the President's desk.

In our budget request for 2011, we have fully accounted for the startup costs of this initiative. We are seeking $24.1 million for a new rail transit safety oversight program, and an additional $5.5 million to fund 30 FTEs in FTA's new and expanded Office of Safety at Headquarters.

A critical part of the challenge of maintaining transit safety is ensuring that there is an adequate investment in maintaining the state of good repair of our transit agencies.

Last April, FTA transmitted a report to Congress that identified a $50 billion maintenance backlog of assets at just the seven largest and oldest rail systems. But importantly, on the bus side, preliminary results from a follow-on study showed that 41 percent of bus assets nationwide are in marginal or poor condition.

Both studies show that over the long term, funding from federal, state, and local sources needs to be increased to ensure that transit services continue to be reliable and safe. To address this challenge, our budget proposal merges and expands the Bus and Bus Facilities and the Fixed Guideway Modernization programs, and provides $2.9 billion, an 8 percent increase over the combined programs 2010 level.

I am particularly pleased that in a transit budget that calls for growth of less than 1 percent on the whole, we succeeded in fully funding the startup costs of the Transit Safety bill, as well as an 8 percent funding boost for the state of good repair, both rail and bus.

On the topic of livability, Secretary LaHood has partnered with the Secretary of Housing and Urban Development and the Administrator of the EPA to form an interagency partnership for sustainable communities. And Mr. Chairman, I want to particularly thank you for jump-starting this effort by requiring HUD and FTA to start working together on this issue even before this Administration took office. I will admit, when I was in my prior capacity working for the Senate Appropriations Committee, I reviewed the language that you sent over. I did not fully understand it then, but I understand it now.

FTA's livability budget proposal for 2011 includes $306.9 million for grants under three existing programs to better link communities to affordable housing, increased pedestrian access, improved connections between where people live, work, shop, go to school, socialize, and, importantly, receive healthcare services.

In addition, FTA is currently evaluating more than 65 applications totalling over $1.1 billion for urban circulator systems that support the Department's livability initiatives. We are also separately evaluating more than 250 applications, totaling more than $2 billion, for bus and bus facility proposals that embody our livability goals.

Under our initial notice of funding availability for these two efforts, we announced that we would allocate at least $280 million to these applications. It is possible that we will augment that amount with some discretionary funds that you graciously provided to us in the regular 2010 Appropriations Act, as we review those applications.

Importantly, HUD reviewed and edited our Federal Register Notice when we put out the full solicitation for both of these initiatives. And they added a lot of value in addressing the whole housing aspect of these grants.

And now the DOT is also reviewing the grant guidance that HUD will be using for the funding of their livability grants.

So this has been a truly functional and effective interagency partnership that works. It will yield projects that will be more cost-effective for the taxpayer, projects that will enable the public to make one comprehensive investment in a community, investments that address the transportation and housing needs simultaneously. And this way we will only need to make one public investment, and we will, frankly, only need to tear up the streets once.

Finally, I would like to call attention to a small but important request that is contained in our budget, to address the staffing needs associated with our core grantmaking and oversight function.

Our 2011 budget seeks funding for an additional 40 positions and 20 FTE to address these needs. FTA has not seen its staffing level increase by even one body in seven years. Yet over those seven years, the number of programs and grants that the Agency is charged with overseeing has grown dramatically.

As a result, I am sorry to have to say that out in the cities and the states, the initials of our acronym, FTA, has sometimes been referred to as Failure To Appear. Too often, FTA has lacked the staff in headquarters or the regions to attend meetings held by cities and communities and MPOs that want to know how they can consider and develop a transit alternative.

In order to truly partner with these communities, and in order to do appropriate oversight of the thousands of grants we allocate every year, FTA frankly needs more staff, and there is funding for more staff in the budget.

So I thank you for hearing these many requests. I am happy to answer questions when that time comes. And I will leave it to my next witness. Thank you.

[The information follows:]

STATEMENT OF
PETER M. ROGOFF
ADMINISTRATOR
FEDREAL TRANSIT ADMINISTRATION
U.S. DEPARTMENT OF TRANSPORTATION

BEFORE THE

COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON TRANSPORTATION, HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES
UNITED STATES HOUSE OF REPRESENTATIVES

March 23, 2010

Good morning. Thank you Chairman Olver and members of the Subcommittee for the opportunity to appear before you today to discuss the President's fiscal year (FY) 2011 budget for the Federal Transit Administration (FTA). The FTA budget for FY 2011 is $10.8 billion, an increase of $67 million above the FY 2010 enacted level. This budget advances the Administration's domestic and fiscal priorities.

FTA reformats and restructures its programs and accounts in this budget to better reflect the Administration's commitment to improve our Nation's public transportation system. This includes bringing bus and rail transit infrastructure to a state of good repair in order to provide more efficient and reliable public transportation while building new transit systems in high-growth areas of the country. This budget supports the President's and the Secretary's rail transit safety priorities and initiatives to promote livable and sustainable neighborhoods, cities and towns across the country. In addition, this budget consolidates some existing programs and creates a new program to reduce greenhouse gas emissions in public transportation.

Transit systems across the country play an important role in enhancing the nation's economic competitiveness by carrying tens of millions of riders each day to jobs, employment centers, schools, and colleges. Over 10.3 billion trips were taken on transit last year – the highest ever.

To meet the Administration's commitment to improve public transportation, FTA's workforce must include more community planners, environmental specialists, engineers and financial analysts to ensure projects are designed and implemented in the most efficient and cost-effective manner. We request 20 additional full-time equivalents (FTE) to help ensure that FTA stewardship of Federal transit funds meets this Administration's high standards, particularly as they relate to eliminating and preventing waste, fraud, and abuse.

Transit Safety

The Metrorail crash in Washington, D.C. last summer was a horrific event. However, even before this June 2009 accident, we became concerned about accidents and safety lapses at the Chicago Transit Authority, the MUNI system in San Francisco, the "T" in Boston and elsewhere. While we believe the situation at Washington Metro -- documented in a recent FTA review -- is particularly troubling, some of the deficiencies and vulnerabilities at Metro and the Tri-State Oversight Committee (TOC) are similar to problems that exist at transit agencies and State Safety Organizations across America. The Secretary formally transmitted a legislative proposal to improve transit safety to the Speaker of the House and the President of the Senate back on December 7, 2009. We urge Congress to move forward with our transit safety reform bill *now*.

FTA's 2011 budget includes the resources to begin implementation of the Administration's rail transit safety legislation embodied in the "Public Transportation Safety Program Act of 2009." The FTA cannot move forward to address these problems in any meaningful way while we are still prohibited by law from issuing safety regulations or conducting direct safety oversight.

The Administration looks forward to prompt enactment of its safety legislation and requests in this budget $24.1 million for a new Rail Transit Safety Oversight Program and an additional $5.5 million to fund 30 FTE in FTA's new and expanded Office of Safety. The Rail Transit Safety Oversight Program will fund on-site spot inspections and safety audits conducted by Federal and/or State technical specialists and inspectors with backgrounds in train control, track, operations, and other disciplines.

This budget request also includes $150 million authorized in the Federal Rail Safety Improvements Act of 2008, for capital and preventive maintenance projects at the Washington Metropolitan Area Transit Authority (WMATA). The Administration and Congress agree that funds should first address safety shortfalls identified by the National Transportation Safety Board (NTSB). The Secretary will use his grant approval authority to ensure that WMATA uses these funds to address its most critical safety needs.

Infrastructure Investment Ensuring a "State of Good Repair"

Ensuring that the Nation's transportation infrastructure reaches a "state of good repair" is a high priority for the Department of Transportation. To that end, the FTA transmitted a report to Congress in April 2009 that identified a $50 billion capital reinvestment and maintenance backlog of rail assets at the seven largest and oldest rail systems. Preliminary results from a follow-on study including more rail transit and bus properties show that 41 percent of bus assets nationwide are in marginal or poor condition. Both studies show that funding from Federal, State, and local sources needs to be strategically invested to achieve a state of good repair for our transit infrastructure. Newer, more reliable track, signal systems, and vehicles will ensure safe and dependable rail transit operations serving the American public. In addition, modernized bus facilities yield greatly improved workplace conditions and more efficient operating budgets.

To address this major challenge, the budget merges and expands the Bus and Bus Facilities and the Fixed Guideway Modernization programs and provides $2.9 billion, an 8 percent increase over the combined programs' FY 2010 level of funding, into a new Bus and Rail State of Good Repair fund. By focusing on the backlog with increased Federal funding our aging transit infrastructure can begin to be brought to a "State of Good Repair." Without reinvestment and rehabilitation, our public transportation infrastructure will not be able to maintain critical safety margins or support the needs of growing ridership. It is critical and timely that we address our aging transit infrastructure through good and sustained investments in projects that have real benefits. We must devote resources to not only preserve and improve our existing assets, but to increase the capacity of our transit networks to efficiently and safely move passengers, using new construction where needed, innovative technology, and operational improvements.

In addition, this budget includes $4.6 billion by formula for capital improvements to transit systems in urbanized areas and $545.1 million for capital, and in some instances operating assistance in small urban and rural areas. These funds help provide reliable, dependable, and safe public transportation. A significant amount of these funds are invested in the basic needs of maintaining and sustaining the $607.2 billion in transit capital assets already on the ground, though the needs are far greater in some areas. In smaller urban areas and rural areas with a population of less than 200,000, these funds also provide much needed operating assistance to actually get transit service on the road day to day.

Major Capital Investments

To provide more transportation choices, the budget includes $1.8 billion for FTA's Capital Investment Grants -- New Starts and Small Starts. The New Starts and Small Starts programs are the Federal Government's primary financial resource for supporting locally planned, implemented, and operated major transit capital projects. These programs have helped make possible dozens of new or extended transit fixed guideway systems across the country – heavy rail, light rail, commuter rail, bus rapid transit, and ferries. These public transportation investments have improved the mobility of millions of Americans, provided alternatives to congested roadways, and fostered the development of more viable, safe, and livable communities.

In FY 2011, $1.6 billion is proposed for capital investment grants for projects that have a capital cost greater than $250 million, or that request a New Starts share greater than $75 million. These funds are requested to honor 12 existing and pending Full Funding Grant Agreements (FFGAs) and 6 projects that are expected to be ready for a funding commitment in FY 2011. In addition, $200 million is proposed for Small Starts projects. The current criteria limits project sponsors to a maximum Small Starts share of no more than $75 million with a total capital cost of less than $250 million. These projects can be new fixed guideway systems, extensions to existing fixed guideway systems, and substantial corridor-based bus improvements.

On January 13, 2010, the Administration announced a change in policy to the New Starts program that restores the statutorily-prescribed process for recommending funding for New Starts and Small Starts projects. FTA now gives consideration to the full range of transit benefits: economic development, environmental, social, mobility and congestion relief benefits. FTA will be issuing an advanced notice of proposed rulemaking (ANPRM) to seek public input on potential revisions to the measures used for certain New Starts and Small Starts project justification criteria. The policy changes and criteria updates will better realize the livability and sustainability goals of the Obama Administration.

Greenhouse Gas Emissions

Transportation has a large role to play in reducing greenhouse gas emissions as it accounts for 28 percent of all U.S greenhouse gas emissions—second only to emissions from utilities. Public transportation offers a low-emissions alternative to driving and facilitates compact development, further reducing travel distances and a community's carbon footprint. This budget consolidates existing research programs under a new "Greenhouse Gas and Energy Reduction" account funded at $53 million to help deploy and demonstrate practical and common-sense public transportation solutions to reduce greenhouse gas emissions and promote public health.

Livable and Sustainable Communities

Secretary LaHood has partnered with the Secretary of Housing and Urban Development (HUD) and the Administrator of the Environmental Protection Agency (EPA) to form an interagency Partnership for Sustainable Communities. This partnership will help improve access to affordable housing, provide more transportation options, and lower transportation costs while protecting the environment in communities nationwide.

Mr. Chairman, I have to give you credit for "jump starting" this effort by requiring that HUD and FTA work together to bring about greater coordination of housing and transportation in urban and rural communities. The agencies involved today, including EPA, are working under six guiding "livability principles" to coordinate Federal transportation, environmental, and housing investments. The principles include:

1. **Provide more transportation choices.** Develop safe, reliable and economical transportation choices to decrease household transportation costs, reduce our nation's dependence on foreign oil, improve air quality, reduce greenhouse gas emissions and promote public health.

2. **Promote equitable, affordable housing.** Expand location- and energy-efficient housing choices for people of all ages, incomes, races and ethnicities to increase mobility and lower the combined cost of housing and transportation.

3. **Enhance economic competitiveness.** Improve economic competitiveness through reliable and timely access to employment centers, educational opportunities, services and other basic needs by workers as well as expanded business access to markets.

4. **Support existing communities.** Target Federal funding toward existing communities – through such strategies as transit-oriented, mixed-use development and land recycling – to increase community revitalization, improve the efficiency of public works investments, and safeguard rural landscapes.

5. **Coordinate policies and leverage investment.** Align Federal policies and funding to remove barriers to collaboration, leverage funding and increase the accountability and effectiveness of all levels of government to plan for future growth, including making smart energy choices such as locally generated renewable energy.

6. **Value communities and neighborhoods.** Enhance the unique characteristics of all communities by investing in healthy, safe and walkable neighborhoods – rural, urban or suburban.

FTA has long fostered public transportation that enhances the development of communities and the livability of individuals within those communities. The budget provides $306.9 million for grants that promote livability under three existing programs: Job Access and Reverse Commute, Alternatives Analysis, and Metropolitan and Statewide Planning. These programs further promote livable and sustainable communities, linking communities to affordable housing, increased pedestrian access, and improved connections between where people live, work, shop, socialize and receive health care services.

In December 2009, FTA announced the availability of $130 million of Section 5309 funds for discretionary grants for Urban Circulator Systems that support the Department's Livability Initiative. As part of our joint coordination, HUD reviewed our Federal Register Notice soliciting proposals for urban circulator projects seeking less than $25 million in Federal section 5309 resources. Funds will support urban circulator systems such as streetcars providing transportation options that connect urban destinations and foster redevelopment of urban spaces into walkable, mixed use, high density environments.

I am happy to announce that FTA received over 65 applications totaling over $1.1 billion for our Urban Circulator Systems program. FTA is currently evaluating proposals based on the project's ability to advance local economic development goals, improve mobility for all citizens, and the ability to create partnerships that result in the integration of transportation and land-use decision-making that results in environmental benefits. We expect to announce these grants in June 2010.

Also in December 2009, FTA announced the Bus and Bus Facilities Livability Initiative program. The Livability Bus Program is funded using $150 million in unallocated discretionary Bus and Bus Facilities program funds authorized under Federal Section 5309(b). The Livability Bus Program makes funds available to public transportation providers to finance capital projects to replace, rehabilitate, and purchase buses and related equipment, and to construct bus-related facilities. FTA received over 260 applications totaling over $2 billion for the Livability Bus Program. FTA is currently evaluating proposals based on the project's ability to advance local economic development goals, improve the mobility for all citizens, and create partnerships that result in the integration of transportation and land-use decision-making that results in environmental benefits. We expect to announce these grants in June 2010.

FTA will continue to further the Administration's sustainability and livability initiatives through more integrated regional planning to guide State, metropolitan and local decisions that link land use, transportation and housing policy. FTA is focusing on how grantees are using Federal transportation funds, leveraging these resources by partnering with recipients of other Federal funds, and implementing transit friendly policies and practices that achieve livability outcomes.

Mr. Chairman, one example of how the Livable and Sustainable Communities Partnership is achieving meaningful results can be seen in New England. In August 2009, the New England offices of HUD, EPA, and FTA began to discuss regional partnership opportunities that benefit communities throughout New England. Boston's Fairmount Corridor commuter rail line passes through diverse, predominately lower-income urban neighborhoods. Historically, the line has traveled from suburban locations directly into the central business district, bypassing large sections of urban communities. Today, work is underway to add four to five new stations along the rail corridor, providing access for the first time to residents in more vulnerable areas. The New England partnership is a great example of action taken to support this important livability initiative.

Success of the American Recovery and Reinvestment Act

Since President Obama signed the American Recovery and Reinvestment Act (ARRA) in February 2009, the FTA has awarded 881 grants totaling $7.5 billion -- which means all the formula transit funds provided by ARRA have been "obligated" or committed to specific projects meeting the deadlines required by law. So far, ARRA funds have supported the purchase of nearly 12,000 buses, vans and rail vehicles, the construction or renovation of more than 850 transit facilities, and the performance of more than $620 million in preventive maintenance, which has helped keep transit service running and save jobs.

Investing in these transit upgrades not only puts construction workers on the job at project sites, but supports American manufacturing jobs all the way down the supply chain. In addition to the direct employment impact of the projects, domestic bus, seating, and rail car manufacturers have received orders that are helping boost production and support jobs. For example, Orion Bus in Greensboro, North Carolina has now received 10 contracts for nearly 300 buses supported by ARRA funds – orders the company says allowed it to maintain 176 jobs. Gillig Bus in Hayward, California has received orders for 790 buses using ARRA funds – work the company says allowed them to support 395 jobs. The American Seating Company in Grand Rapids, Michigan, a bus seating manufacturer, says they received $3 million in ARRA funded contracts last year allowing them to add 11 full-time employees with additional job growth expected in 2010 thanks to ARRA.

In addition to ARRA formula funds, FTA obligated 100 percent of almost $750 million in ARRA discretionary funds for New Starts and Small Starts projects nationwide. Investing in modern, efficient transit systems will mean safe, reliable travel and clean air in our communities. These projects are putting thousands of Americans to work right now while improving the lives of millions of Americans for years to come.

In summary, this budget supports the Administration's domestic and fiscal priorities including the advancement of affordable and flexible transportation choices. It supports the Secretary's number one priority -- transportation safety. It also supports the Secretary's initiative to create livable communities that will result in a better quality of life for all Americans through a more efficient and accessible transportation network.

Thank you for the opportunity to appear before the Subcommittee. I would be happy to answer any questions.

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Mr. OLVER. Thank you. Mr. Szabo.

MR. SZABO'S OPENING REMARKS

Mr. SZABO. Chairman Olver, Ranking Member Latham, and Members of the Committee: Thank you for the opportunity to appear before you today to discuss the Federal Railroad Administration's (FRA) Fiscal Year 2011 budget request.

Our request, which totals $2.9 billion, is unprecedented in the history of FRA and reflects the Administration's commitment toward keeping the Nation's rail transportation safe, secure, and efficient. This request also continues our support of the Administration's strategic investments in high speed rail.

Over the past 2 years, FRA's mission has expanded greatly. The entire organization was focused not only on the implementation of the Rail Safety Improvement Act (RSIA) and the Passenger Rail Improvement and Investment Act (PRIIA), but on the requirements of the landmark Recovery Act. Our seasoned and dedicated staff is doing an outstanding job implementing this ambitious agenda and this Committee's support has been invaluable.

In developing our FY 2011 budget, we re-examined our programs in light of recent legislation, established new priorities, and built our budget accordingly. I'd like to share with you a few of our FY2011 budget priorities:

FRA's chief mission continues to be safety. For FY 2011, we are proposing to establish a new account that will allow FRA to be more precise in its reporting and accountability and that directly supports the Administration's transparency initiatives. Under this new Railroad Safety account, $49.5 million is requested to carry out FRA's mission critical railroad safety functions and activities. The safety of our passenger and freight rail systems is of critical importance to me and my colleagues.

In re-evaluating where FRA needs to go in the coming years, we also looked at our staffing needs. As such, for FY 2011, we are requesting a total of $153.8 million and 979 positions to support our mission responsibilities. Included in this request are 62 new positions that will allow FRA to tackle our newfound responsibilities, including a focus on high-speed rail.

The High-Speed Rail initiative is central to the President's efforts to provide the American people with high-quality transportation alternatives. The program will create jobs, reduce congestion and offer numerous environmental benefits. We are proud to continue our work in this arena, which began with an $8 billion down payment enacted under the Recovery Act.

Our FY 2011 budget includes a second round of funding as part of the President's initiative that complements this down payment. Included in the $1 billion request is $50 million for program administration and oversight activities, $50 million for planning grants and activities, and $30 million for high-speed rail research and development activities. We will continue to work with every state and region that is interested in developing a robust passenger rail system.

The agency will also continue its work on a National Rail Plan, so that our efforts to upgrade our nation's passenger rail capacity can be undertaken in concert with work to ensure that our freight rail system remains the best in the world. We've met with more than a thousand of your constituents across the country to craft this document and look forward to presenting our vision later this next year.

This vision will certainly include Amtrak. FRA and Amtrak share a strong partnership and the FY 2011 budget request for Amtrak, which totals $1.637 billion, is a reflection of this Administration's continuing support of this partnership. We very much recognize Amtrak's unique and important role in America's future transportation landscape.

The past 18 months have been filled with exciting challenges for FRA. We have continued to enhance the safety of our citizens and communities that live and use the nation's freight and passenger rail systems, while designing the policies, programs, and infrastructure necessary to advance the vision of high-speed rails across our country.

We appreciate your consideration of our request, and I am happy to answer any questions that you might have.

[The information follows:]

Statement of
The Honorable Joseph C. Szabo
Federal Railroad Administrator
Before the
Subcommittee on Transportation, Housing and Urban Development, and Related Agencies
Committee on Appropriations
United States House of Representatives

March 23, 2010

Chairman Olver, Ranking Member Latham, and Members of the Committee: Thank you for the opportunity to appear before you today to discuss the Federal Railroad Administration's (FRA) Fiscal Year (FY) 2011 budget request.

This request, which totals $2.9 billion, is unprecedented in the history of FRA and reflects the Administration's commitment toward keeping the Nation's rail transportation systems safe, secure, and efficient. In addition, this request provides the building blocks to support the Administration's pledge to provide the traveling public with a practical, energy efficient, and environmentally sound alternative to flying or driving, through strategic investments in high-speed rail.

As you know, in April 2009, I was appointed as the FRA Administrator. I arrived to find FRA in the midst of a grand realignment. The entire organization was focused not only on the effective implementation of the Rail Safety Improvement Act (RSIA) and the Passenger Rail Improvement and Investment Act (PRIIA) that were enacted in October 2008, but on the requirements of the landmark American Reinvestment and Recovery Act (ARRA), which was passed in February 2009. The impact of these mandates on FRA has been significant. RSIA and PRIIA mandated new and expanded mission responsibilities and programs, while ARRA appropriated an unprecedented $9.3 billion in additional program resources.

Over the past year, FRA has expertly executed its rail safety regulatory mission, while simultaneously implementing an entirely new line of business—the design and management of a multibillion-dollar, discretionary high-speed rail grant program. As expected, this transformation has not come without obstacles, challenges, and lessons learned. However, the support this Committee has given to FRA in the past 2 years has made a tremendous difference in our ability to acquire the necessary staff and resources to build FRA's organization to ensure continued success. We are making good progress in building our workforce. I expect within the next year, FRA will have more of the specialized expertise and talent it needs to continue to move its programs successfully forward.

In considering FRA's FY 2011 budget request, I hope the Committee recognizes the great care that was taken to present a request that fully supports the heart of our mission—rail safety—while continuing to enhance our capacity to manage the comprehensive management and oversight requirements of the high-speed rail grant program.

Railroad Safety

For FY 2011, we are proposing a strong blend of safety program enhancements and technical budget changes.

Currently, all of FRA's administrative and operational expenditures (i.e., salaries, benefits, GSA rent, Working Capital Fund contributions, etc.) and several safety-related programs (Automated Track Inspection Program (ATIP) and Railroad Safety Information System (RSIS)) are funded under a single account titled "Safety and Operations." In FY 2011, the major technical change proposed is the elimination of the overarching Safety and Operations account and the establishment of two new, more targeted accounts (1) **Railroad Safety** and (2) **Federal Railroad Operations.** The proposed new account structure is more transparent and provides insight into the cost of FRA's safety-specific program activities, as well as FRA's internal administrative operations. The new structure will allow FRA to be more precise in its reporting and accountability and directly supports the Administration's transparency initiatives.

Programmatically, under the new Railroad Safety account, a total of $49.5 million is requested to carry out FRA's mission-critical railroad safety functions and activities. This new account captures the costs associated with FRA's major rail safety program activities, which were previously funded under Safety and Operations. Activities proposed to be funded under the new Railroad Safety account include: the Automated Track Inspection Program (ATIP), the Risk Reduction Program (RRP), Positive Train Control (PTC) activities, and FRA's safety inspector-related travel.

FRA Management and Administration

A total of $153.8 million and 948 full-time equivalent (FTE)/979 positions are requested under the new **Federal Railroad Operations** account to fund FRA's administrative activities such as: payroll, information technology infrastructure, GSA rent, and other shared costs. These human and financial resources are needed to accomplish a myriad of priorities and to ensure the sound stewardship of FRA rail safety compliance, research and development, and financial assistance programs.

Included in this request are 62 new positions that will enable FRA to continue to make measured progress on accomplishing the responsibilities mandated by RSIA, PRIIA, and the Administration's high-speed rail initiative. These new positions minimize FRA's operational risk and will allow the agency to hire additional staff with the specialized skills and experience (e.g., civil and mechanical engineers, environmental specialists, and financial analysts) necessary to fully support FRA expanding programs and mission-essential activities.

Finally, FRA's FY 2011 budget includes a rail safety user fee. The rationale for this fee is consistent with that of other DOT Modal Administrations that have a fee structure to help finance, in whole or in part, costs associated with mission programs and activities. This user fee is modeled after a rail safety user fee FRA administered between 1991 and 1995. As proposed, in FY 2011, FRA estimates $50 million in collections could be generated for use in defraying the salary and benefit costs of up to 330 rail safety inspectors across the country.

Rail Research and Development

A total of $40 million is requested to support FRA's **railroad research and development** program and agenda. Specifically in FY 2011, FRA will focus added resources in the areas of railroad systems safety, train control testing and evaluations, and the newly authorized "Rail Cooperative Research Program." This new initiative will enable FRA to efficiently gather input from stakeholders to identify and validate rail research priorities and accelerate the real-world impact of FRA's research and development program by strengthening the academic and industrial railroad technical communities.

High-Speed Rail

The Nation's high-speed rail initiative began with an $8 billion down payment enacted under the ARRA. However, delivering on the Administration's vision and realizing the potential benefits of high-speed rail requires a long-term commitment at both the Federal and State levels. For this reason, last year, the Administration proposed a multiyear initiative to invest $5 billion over the next 5 years to leverage resources at the State and local levels, as well as in the private sector. This initiative will fund strategic investments that yield tangible benefits to intercity rail infrastructure, equipment, performance, and intermodal connections over the next several years, while creating a "pipeline" of projects to enable future corridor development. This particular program is also expected to have a positive impact on the Nation's rail-related manufacturing sector, which has declined over the past 2 to 3 decades. As the major corridor projects are awarded, the steel and rolling stock necessary to build and operate the infrastructure can be supported by our country's factories and a talented, plentiful workforce.

The $1 billion requested in this FY 2011 budget is the second year of the Administration's 5-year high-speed rail initiative. These resources will continue support of the Administration's vision to provide a sustainable 21st-century rail transportation solution that is energy-efficient, environmentally sound, and leverages State, local, and private sector resources and partnerships. This request continues funding to advance the high-speed rail infrastructure capacity across the Nation and includes up to $50 million for program administration and oversight activities, $50 million for planning grants and activities, and $30 million for high-speed rail research and development activities.

National Passenger Rail Corporation (Amtrak)

FRA and Amtrak have shared a strong partnership for decades, and we continue to successfully collaborate on critical issues such as: (1) ensuring rail safety; (2) promoting environmental quality; and (3) addressing national passenger rail transportation priorities and policies. The

FY 2011 budget request for Amtrak, which totals $1.637 billion, is a reflection of this Administration's continuing support of this partnership.

Within the overall request, $563 million is requested for Amtrak operations and to support Amtrak's ongoing efforts to advance its mandate to reshape the company by undertaking meaningful reforms and controlling spending. This Federal assistance will supplement Amtrak's traditional corporate revenues, which are generated through passenger revenue (ticket, food and beverage sales), State-supported revenues (State contracts related to route performance), and its ancillary business revenue.

A total of $1.052 billion is requested for Amtrak's capital needs and debt service. Included in this funding level is $281 million to finance Amtrak's FY 2011 Americans with Disabilities Act (ADA) requirements. Finally, $22 million is requested for a direct grant to the Amtrak Office of Inspector General.

Conclusion

The past 18 months have been filled with exciting challenges for FRA. We have continued to enhance the safety of our citizens and communities that live and use the Nation's freight and passenger rail systems, while designing the policies, programs, and infrastructure necessary to advance the vision of high-speed passenger rail across our country. With this, I am happy to respond to your questions and concerns.

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Mr. OLVER. Thank you, Mr. Szabo. Mr. Boardman.

MR. BOARDMAN'S OPENING REMARKS

Mr. BOARDMAN. Mr. Olver, Mr. Latham, Mr. LaTourette, I have a package on your desk of slides that I will refer to. It has got my name there toward the bottom, Steve, just in case you are looking.

This has been a landmark year for intercity passenger rail. In the wake of the Administration's decisions to fund the High-Speed and Intercity Passenger Rail Program, Amtrak stands ready to fulfill the mission assigned by the Passenger Rail Investment and Improvement Act of developing high-speed passenger rail on the national system.

To meet this mandate, we need to have the tools in place to accomplish the job, and we are moving to create them. We are working with the states, FRA, and a High-Speed and Intercity Passenger Rail grant program, and the corridor equipment planning and procurement process.

We have just completed the first phase of the Northeast Corridor master planning process, and are beginning to plan for the next generation of high-speed equipment for the Northeast Corridor.

Amtrak is creating a department to oversee high-speed rail development. We have created a plan to replace our aging and hard-run fleet with the modern equipment we need to provide these services. And we provided it to the committee on February 1.

The Administration has laid out a strong and clear plan, with significant initial funding for the development of high-speed and intercity passenger rail, and we are working to make that plan a reality.

For 2011, Amtrak initially requested a total of $2.2 billion, consistent with the preauthorization. About $592 million of that total was intended for operating support, and $1.02 billion will cover our capital needs, while a total of $305 million will go for debt and debt-retirement opportunities. About $281 million will be needed for ADA.

On Monday we submitted a supplemental request to Congress for an additional $446 million to address our most urgent, unfunded need: replacement of our aging fleet. This will raise our total 2011 request to about $2.6 billion.

Our plan calls for the replacement of the entire fleet between now and 2040. And it is on this issue that I would like to focus the remainder of my statement, because it is that important.

This plan, which is the product of nearly a year of concentrated work, is a well-thought-out and comprehensive statement of our total need. It is designed to accomplish the replacement of equipment, not in large blocks, but in regular, annual purchases, which will allow us to break in new equipment gradually, correcting issues early in the run before they simply become large and insoluble permanent conditions that we must learn to live with.

And as you will see on the first slide, our plan provides the enduring demand that will develop and support a domestic manufacturing base. If you see two high yellow spikes on that slide, that is when the Acelas get replaced.

This supports the Administration's stated intent to develop a domestic rail-manufacturing capability. And we do so by projecting long-term, large-scale procurement streams that will nurture and sustain suppliers.

It also provides an affordable means for states to add to our purchases on our own, with unit cost savings for everyone.

We are currently partnering with 15 states to provide service, and demand on existing routes will continue to grow.

It is also an opportunity for us to work with the FRA and the states to implement the latest standards and practices to ensure this equipment has long-term utility. We will do this through the corridor equipment pool committee process.

It is, however, vitally important that we begin the process of seeding the industry, and replacing obsolescent equipment now. And the best way to start that process and to advance the vision for high-speed and intercity passenger rail is to fund our plan.

Between 2002 and 2008, Amtrak increased its ridership by 32 percent, without buying a single piece of new rolling stock. That is a remarkable accomplishment, but one that cannot be sustained indefinitely.

A new round of procurement is an absolute necessity since the average age of our passenger cars is at an all-time high, 24 years, and it will continue to rise in the time that it takes us to order and build and have new equipment delivered.

As you will see in the next slide, this is the Amtrak car fleet. It is the hardest-run passenger fleet in the country. On the far right end of this, you will see the blued-out section. These are the annual number of average annual miles. And you will see the transit operators along the side, and how many fewer miles that it takes to run a transit operation. That is not to cast aspersion on transit; it is only to say that utilization of the heavy-duty intercity fleet is critical.

To get some idea of that mileage and the work we get out of these cars, I would point you to the backbone of our Northeast Regional Service: the Amfleet I cars. They were built in the late seventies.

Now, imagine you bought a Chevy El Camino back in 1977. It would be worth a lot of money today, frankly, if it was an El Camino. [Laughter.]

But you proceeded to drive it from D.C. to New York and back again every single day since then, with a day and a half off every month for maintenance. That is how hard we run these Amfleets. And they are neither the oldest or the hardest-run equipment in the fleet.

As you will see in the third slide, these are the locomotive fleet. And it is in a similar situation. And I would point out to you, on the far right, a backbone of our locomotive fleet, the P–42 diesels, are run almost twice as much as the major freight line, BNSF. We put almost twice as many miles on our locomotives every year than BNSF does.

As a preliminary step, we initiated the bidding process last year to buy new equipment to address our most critical needs, the Heritage cars, some of which have been in service for 60 years—I think there is one even 61, my age—and the hard-run electric locomotives that power our Northeast Corridor services.

The $446 million will fund the procurement of American-made equipment that will replace these obsolete cars and worn-out locomotives.

On the last slide you will see a perfect picture of our need. This is the *Silver Star* service. The very first round of purchases will replace the AEM–7 that is hauling this train, the electric locomotive, and the Heritage baggage car and diners that are still in daily service. And it probably is not by any mistake that the train number is 911. [Laughter.]

Thank you for listening.

[The information follows:]

TESTIMONY

OF

JOSEPH H. BOARDMAN
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(202) 906-3960

BEFORE THE

SUBCOMMITTEE ON TRANSPORTATION, HOUSING AND URBAN DEVELOPMENT

OF THE

HOUSE COMMITTEE ON APPROPRIATIONS

TUESDAY, MARCH 23, 2010
10:00 A.M.
2358A RAYBURN HOUSE OFFICE BUILDING

Good morning, Mr. Chairman and ranking member, and thank you for the opportunity to testify on Amtrak's FY 2011 operating and capital needs. This has been a landmark year for intercity passenger rail, and in the wake of the Administration's decisions to fund the high speed and intercity passenger rail program, Amtrak stands ready to fulfill the mission assigned us by the Passenger Rail Investment and Improvement Act of developing high speed passenger rail service on the national system. To meet this mandate, we need to have the tools in place to accomplish the job, and we are moving to create them. We are working with states and the FRA on the High Speed and Intercity Passenger Rail grant program, and the corridor equipment planning and procurement process. We have just completed the first phase of our Northeast Corridor Master Planning Process and we are beginning to plan for the next generation of high speed equipment for the Northeast Corridor. Amtrak is creating a department to oversee high speed rail development. We have created a plan to replace our aging and hard-run fleet with the modern equipment we need to provide these services, and we provided it to the Committee on February 1. The Administration has laid out a strong and clear plan with significant initial funding for the development of high speed and intercity passenger rail, and we working to make that plan a reality.

For FY 2011, Amtrak initially requested a total of $2.1 billion, consistent with the PRIIA authorizations. About $592 million of that total is intended for operating support, and $1.02 billion will cover capital needs, while a total of $305 million will go for debt and debt retirement opportunities. About $281 million will be needed for ADA compliance requirements. On Monday, we submitted a supplemental request to Congress for an additional $446 million to address our most urgent unfunded need, replacement of our aging fleet. This will raise our total FY 2011 request to about $2.5 billion.

Our plan calls for replacement of the entire fleet between now and 2040. It is on this issue that I want to focus the remainder of my statement, because it is that important. This plan, which is the product of nearly a year of concentrated work, is a well thought out and comprehensive statement of our total need. It is designed to accomplish the replacement of equipment not in large blocks, but in regular annual purchases, which will allow us to break in new equipment gradually, correcting issues early in the run before they simply become large and insoluble permanent conditions that we must learn to live with. As you will see on this first slide, our plan provides the enduring demand that will develop and support a domestic manufacturing base. This supports the Administration's stated intent to develop a domestic rail manufacturing capability, and we do so by projecting long-term large scale procurement streams that will nurture and sustain suppliers. It also provides an affordable means for states to add their purchases to our own, with unit cost savings for everyone. We are currently partnering with fifteen states to provide service, and demand on the existing routes will continue to grow. There's also an opportunity for us to work with the FRA and the states to implement the latest standards and practices to ensure this equipment has long-term utility. We will do this through the corridor equipment pool committee process. It is, however, vitally important that we begin the process of seeding the industry and replacing obsolescent equipment now, and the best way to start that process and to advance the vision for high speed and intercity passenger rail is to fund our plan.

Between 2002 and 2008, Amtrak increased its ridership by 32% without buying a single piece of new rolling stock. That's a remarkable accomplishment, but one that cannot be sustained indefinitely. A new round of procurement is an absolute necessity, since the average age of our passenger cars is at an all-time high – 24 years, and it will continue to rise in the time it will take us to order and build new equipment. As you will see on the next slide, the Amtrak car fleet is the hardest-run passenger fleet in the country. To get some idea of the mileage and the work we get out of these cars, I would point you to the backbone of our Northeast Regional service, the Amfleet I cars. They were built in the late 1970s. Now, imagine that you bought a Chevy El Camino back in 1977, and proceeded to drive it from DC to New York and back again, *every single day* since then, with a day and a half off every month for maintenance. That's how hard we run the Amfleets, and they are neither the oldest nor the hardest-run equipment in the fleet. As you will see on the next slide, the situation for our locomotive fleet is similar. As a preliminary step, we initiated the bidding process last year to buy new equipment to address our most critical needs – the Heritage cars, some of which have been in service for sixty years, and the hard-run electric locomotives that power our Northeast Corridor services. The $400 million will fund the procurement of American-made equipment that will replace these obsolete cars and worn-out locomotives. On this last slide, you can see a perfect picture of our need – the very first round of purchases will replace the AEM-7 electrics and the Heritage baggage and dining cars that are still in daily service on our trains.

These are major needs, but this is also a moment of real opportunity. The future is bright. We had eight years of steady growth, and in spite of the recession, 2009 was the second-best ridership year we have ever had; the first quarter of FY10 was the best first quarter in our history. The Administration has announced an $8 billion program of investment in passenger rail, and we are working closely with the states, the FRA, and the freight railroads to implement the projects they will fund. Investment in the equipment and infrastructure of the existing system builds the essential foundation of ridership and connectivity that will support the investments in dedicated high speed systems. There are going to be some real opportunities to move regions to the next level of service, but we must make the supporting investments in our fleet that will make this possible. I would urge you to do this by fully funding our request. All of us are working hard to make sure the $8 billion is spent in a manner that gets the best possible return on our investment, so we can provide the trip time and frequency improvements the public demands. We have some very real needs, but we are moving ahead confidently and we hope to have your support during this important growth period, and I look forward to working with the Committee in coming months as you complete your work on the FY 2011 budget.

Mr. OLVER. You mean it was not deliberate that you used 911?

Mr. BOARDMAN. It was very deliberate, Mr. Chairman. [Laughter.]

Mr. OLVER. This is a set of data that I have not seen. No one is speaking for Amtrak; never in the last years that I have been Chairman or Ranking Member of this subcommittee have I seen someone put these data together.

And I am wondering if you required the assembly of this data.

Mr. BOARDMAN. I required a fleet plan, a fleet strategy. Something that you and I had discussed in the past.

The data that was assembled as a part of that, this is part of that. That is the provision of this.

Mr. OLVER. Okay. Was there any shock when you saw these data? When you saw——

Mr. BOARDMAN. It was very eye-opening to us, let us say that. Yes, it was shocking for a lot of us, to really sit down and think about what has really happened here.

Because one of the things we discovered here was nobody in the world today is building heavy-duty-enough equipment to deliver this kind of service over the period of time that they have been delivering it, 60 years.

And the discussion included what is the commercial life, and then what is the useful life of equipment, and how often do we have to rebuild it. And you will see in the study, which I have here and you all received this in February, that we really thought about that. I know I am going a little bit long on the answer. But we cannot keep buying equipment in the huge number of pieces of equipment that we get in very small windows, and expect an industry to be able to support passenger rail for the future. We have to spread it out.

Mr. OLVER. Look, in this chart, it is too bad, we really should have these on so the general audience can see these. We should have these in large form up for people. I wish I had known that we were——

Mr. BOARDMAN. They did hand them out, Mr. Chairman, as we came in.

Mr. OLVER. Oh, you did. So everyone does have it.

Mr. BOARDMAN. They should have.

Mr. OLVER. Okay.

Mr. BOARDMAN. But they were afraid to put it up as a slide this year; I spent too much time last year at that.

Mr. OLVER. The yellows are the cars. And you have indicated in your written testimony that the average age of the cars is, is 24 years.

Mr. BOARDMAN. Yes.

Mr. OLVER. What is the average age of the locomotives? The reds or the——

Mr. BOARDMAN. It is a little better than that. The average age of the electric locomotives is much higher. I do not have it right in my head right this minute.

Mr. OLVER. But it is that when you say better, do you mean more than that? They are all——

Mr. BOARDMAN. They are a little younger. They are a little younger.

Mr. OLVER. The locomotives or the——

Mr. BOARDMAN. The locomotives, yes.

Mr. OLVER. Okay. I am getting completely diverted, but I am sure my colleagues will bring me back to some point of reference.

Mr. BOARDMAN. The AEM–7s, and they just handed it to me, that was what you saw, the 911 in the picture, are from 21 to 29 years old. They are our oldest.

Mr. OLVER. I think the thing that you are bringing out in your testimony, to me the most important thing is the question of who makes the equipment. You are talking about heavy rail.

Mr. BOARDMAN. Yes.

DOMESTIC MANUFACTURING

Mr. OLVER. Now, there is a whole lot of stuff that is light rail and bus in nature. And there must be some gradation of, I do not know, maybe I am going to engage Mr. Rogoff on the light rail side. Because we are talking largely about heavy rail, commuter rail, and, and long-distance passenger rail for Amtrak, and certainly for you, Mr. Szabo.

The lighter rail——do we have all the equipment that we need for light rail and for bus facilities? Do we have enough of that being built here in America? Or are we having to depend heavily on others?

Mr. ROGOFF. Well, our view is no, we do not have the kind of domestic content that we would still like to see. In fact, this past summer, Secretary LaHood hosted a session down at the Department where we brought in rail car manufacturers. This was largely built around the new high-speed rail initiative. But there was also an important transit nexus here, because in many cases they are the same manufacturers.

The Buy-America content for transit rail cars is lower than some of the Buy-America requirements that are in other programs. And we would frankly like to do a whole lot better than the 60 percent that is currently in law and regulation.

Secretary LaHood's message at that session was, through the high-speed rail initiative and through subsequent funds that either in the Recovery Act or in future transit initiatives, we want to see greater domestic content. It is very much part of the Vice President's effort to build up the manufacturing base again in this country.

Just the other day, in fact, one of the rail car manufacturers, Talgo, announced that it is opening a plant in Milwaukee, Wisconsin, in part on the back of Wisconsin Buy, in part on what they see as the opportunities for high-speed rail there. But it is something that we would like to see more of, both in the heavy rail space, but also in light rail.

Mr. OLVER. Okay. My impression is that we are not creating much of the heavy rail equipment in this country, and we need to try to correct that. I do not have as clear an impression, and it is partly, throughout this program to expand public transportation, particularly for the rail positions, that that comes to the fore.

At the light rail level, I think what we are seeing from the equipment point of view somewhere between two and three times the mileage is going per year on the heavy rail equipment than on the transit authorities. That is, I think, the brief summary of what that chart shows.

Mr. ROGOFF. It is a reflection of the nature of the trips they take.

Mr. OLVER. Yes.

Mr. ROGOFF. I mean, if you are doing intercity, you are certainly going to put in more mileage.

Mr. OLVER. But I do not even know whether we are building all of the light rail equipment that goes into these systems or not. Are we to a large measure, or not?

Mr. ROGOFF. Well, in order to comply with Buy America, it all lies behind what you mean by the word "build." Because the way a lot of the manufacturers get to the 60 percent content requirement is through purchasing components, plus the added value of assembly.

Mr. OLVER. Is assembly done here?

Mr. ROGOFF. Assembly is done, commonly done here. So what often happens, for example—and this goes back a number of years—in some of the cars that Bombardier manufactured in Canada, it would then be pulled to Barre, Vermont, or they are now pulled for final assembly to upstate New York.

Mr. BOARDMAN. Plattsburg.

Mr. ROGOFF. Excuse me?

Mr. BOARDMAN. Plattsburg, yes.

Mr. ROGOFF. Plattsburg, New York. And that is where, that is how they get the assembly done in the United States.

Mr. BOARDMAN. But I do think, Peter, you have Kawasaki bending metal in Nebraska, and putting it together in Yonkers, New York. So there is some of that.

But we have gone out and we do have conversations going on with some of the major manufacturers of what it is that they need to begin to build here in this country, the very heavy.

And I think Peter was very responsive in terms of how Talgo—Talgo will accommodate this kind of traffic. They are a very heavy-duty train.

Mr. OLVER. One of the key things that we heard when we had the Domestic Manufacturers Summit the Secretary called was for the manufacturers to invest domestically in the plant and equipment that they need for heavy rail equipment, is to see a smoothness of the contract order. That we really needed to get beyond these huge peaks and these valleys that would better allow them to manage——

Mr. BOARDMAN. We would see this as a base, Mr. Chairman. If you look back in the late twenties, thirties, you had 65,000 passenger cars in this country that were heavy-duty. By the late forties, you had about 30,000 passenger cars. Now you have what we have.

And if you are really going to grow the, the passenger rail and intercity rail, which I think is going to happen, you are going to have to have a domestic manufacturing base. This starts it. The states can add to this, but we have to have, we have to get started.

Mr. OLVER. Well, one thing that is clear is that the mileages that you are going at the heavy rail line, even compared with your passenger versus the freights, as is also shown in those, is that the mileages get up, into the two million miles very quickly, and beyond.

Mr. BOARDMAN. Yes, sir.

Mr. OLVER. Anyway, we are going to do 10-minute sessions for each of my colleagues. Mr. Latham.

Mr. LATHAM. Mr. LaTourette has got a little time problem, so I yield.

Mr. LATOURETTE. I thank you very much for the courtesy. It is nice to see all of you again. And Mr. Rogoff, we have not had the pleasure, but it is nice to see you before the committee. Your name was thrown around a lot last week during our hearing, so it is nice to actually see someone connected with the, with the name.

POSITIVE TRAIN CONTROL

Administrator Szabo, I wanted to come back to you just real quickly on something that continues to vex me, and that is the Passenger Rail Improvement and Investment Act (PRIIA). And at the last hearing, I talked to the Secretary, and then you and I had a chat at the last hearing about what lines will be designated for positive train control.

And I, quite frankly, loved your answer. Because I understood it to say that the effective date in the bill is 2015; and when we get to 2015, if the planning and mapping that you have done, if a Class I railroad can come in and indicate that that is not the traffic anymore, and TIH vehicles are not being used, that you would make some accommodation.

But I had a conversation with a couple of them. And I said you know, this is really great news. And they tell me, however—and I guess you could either respond now or maybe have somebody come see me later—they indicate that they can only come see you to be relieved of the burden of positive train control on a line after something, an analysis of a residual risk. But that residual risk is not defined in your regulation.

And so their first question, and my question to you, is, do you believe someplace in your regulation that I could go and find the definition of residual risk?

Mr. SZABO. Well, let me tell you this, Mr. Congressman. You know, it limits my ability to give you much of a detailed answer. But I think echoing what I said last week, that we do believe that there is sufficient flexibility in the rule that as traffic patterns change, that there is the ability to adjust accordingly, but they have to come to us and document why.

And frankly, it is all about ensuring safety, the safety of the community.

Mr. LATOURETTE. Listen, I helped write the bill, and I am all about safety. But let me just say this, that whatever litigation is going on, that prevents you from telling me whether or not residual risk is defined in your regulation that you issued in January?

Mr. SZABO. It limits me from going into any detail. But again, we can——

Mr. LATOURETTE. Okay.

Mr. SZABO [continuing]. Schedule sometime to come sit down and talk. We would be happy to.

Mr. LATOURETTE. I would like that very much. And just so we are clear, I do not believe residual risk is identified.

And the other thing that causes me some problems is that even if a railroad can figure out what residual risk is, and makes an application to be relieved of PTC on a particular line, it can still be required under special circumstances.

Now, special circumstances is, in fact, defined. And one of the definitions of special circumstances is increased traffic.

Now, I do not know of any business in the world that does not hope to have an increase in business. So, but it is not increase in TIH traffic; it is just increased traffic.

So again, I get you are in the middle of a lawsuit, but if somebody could come see me, I would appreciate it. Because this continues to cause me some difficulty.

Mr. Boardman, it is lovely to see you again. And you indicated that your initial request was $2.1 billion, and I think just last week you asked for another 400-and-some million dollars, for a total for the year of about $2.5 billion.

What has the Administration proposed in their budget? I apologize for not knowing, but what has the Administration proposed for Amtrak in their budget?

Mr. BOARDMAN. What is it, $1.6 billion.

Mr. LATOURETTE. And what was appropriated last year for Amtrak, do you know?

Mr. BOARDMAN. Just about $1.6 billion.

AMTRAK BUDGET REQUEST

Mr. LATOURETTE. Okay. I guess, is this in your bailiwick, Mr. Szabo? Are you in charge of making the budget submission on behalf of the Administration for Amtrak?

Mr. SZABO. I am here to testify on behalf of that. Yes, sir.

Mr. LATOURETTE. Okay. Well, how come they are asking for $2.5 billion, and you are only ponying up $1.6 billion?

Mr. SZABO. Well, let me say this. I mean, first off, obviously in the budgeting process there are a lot of negotiations that take place, there are a lot of difficult choices that have to be made. It is a matter of trying to balance priorities.

Of course, the most important thing is the fact that the supplemental that has been put in for the fleet plan is new, and has come subsequent to the preparation of the President's 2011 budget.

Mr. LATOURETTE. Right.

Mr. SZABO. So you know, obviously we have an obligation to work with Amtrak to try and find a means to fund that. But for the record, I support our budget submission.

Mr. LATOURETTE. Well, and even without the increased 400-and-some million dollars to replace this rolling stock—and this is a pretty impressive picture, Mr. Boardman, I have got to tell you—that you are still half a billion dollars short in your original. So I get tough budget requests, and so forth and so on.

But you know, I can remember the Bush Administration one time said zero. And it became very difficult. And I was not on the committee at the time, but I had to work with the Chairman, Mr. Olver, and we had to pirate money. And this subcommittee does not have that ability any more, because now it is just THUD. [Laughter.]

In the old days, the way we satisfied that shortfall and sort of frustrated the wishes of those that were in the charge at the time—I think that was pre-Boardman. We took money out of the Public Buildings Fund, which was sitting fat and happy at $7 billion.

We cannot do that any more on this subcommittee. So, Mr. Boardman, you are short half a billion dollars, not even getting your rolling stock request. So what does that mean to you? If you are at appropriations $1.63 billion, and I guess you are going to have to be a good soldier, but if you are at appropriation $1.63 billion, you have asked for $2.1 billion, I assume you did not just make up the number. I mean, what are you going to do?

Mr. BOARDMAN. I think what we have been trying to address in the overall, not just the fleet, for example, there is $281 million in there to try to address the ADA legislation that was placed on us. And the continuing backlog that we have on the, the infrastructure that we own in the Northeast Corridor, something that is near and dear to your heart, the positive train control that we are planning to get implemented on the Northeast Corridor.

So to us, it means that we fall behind again. We fall behind more if we do not find a way to do this.

I see this as a responsibility of Amtrak is to place this on the table wherever we can put it, whether it is here to this Committee, or whether it is investigating the opportunity of financing privately or publicly, or whatever we would be looking for. We have to find a solution, because this is America's railroad. And I think it needs better care.

In the Northeast alone we had, in the last 10 years, $56 billion that went for capital in the highway side. And it was a consistent kind of capital. Now we do not have that with this, this program.

We are $5 billion behind, maybe a little more than that, on our infrastructure.

Mr. LATOURETTE. Does the $1.63 billion, or your budget request of $2.1 billion, I know that there was some, some labor strife that has been settled recently. And my understanding of that is that the settlement of those labor agreements called for the back pay in some instances, and I do not remember the figure as I am sitting here.

But have all of those obligations been satisfied? And if not, can they be satisfied if you are stuck at $1.63 billion?

Mr. BOARDMAN. We have satisfied them all. The back pay issues are complete.

TRANSIT SAFETY

Mr. LATOURETTE. Right, super. Mr. Rogoff, to you, this American component thing is something that has really bothered me for a long time. I think, I think the first time I became involved in it, it was transit, but it was the ticket machines; it really was not, it was not the cars that we were talking about.

And what we found was that all the parts were made overseas, but you know, somebody rented a garage over here and they put the ticket machine together. And they got enough credit to satisfy the requirements.

As you move forward with safety, is signage part of where you think you are going to go in the future? And let me ask you specifically. I am concerned that when the power goes off on an electrified system, that luminescent signs, for instance, I think would be a swell idea, if that technology exists.

And so is signage that glows in the dark part of the future for what you are looking for?

Mr. ROGOFF. It could be, but I would not want to say that dispositively.

What we have done, Mr. LaTourette, is establish a Rail Safety Advisory Committee. We do not need new statutory authority to do that. The Secretary has begun standing that up. We have now just closed the period for nominations to be on that. It will include a broad representation of rail safety experts, management, and labor.

And our whole regulatory regime for rail safety in transit will be led by what that advisory committee advises us are the highest-risk issues. We obviously want to knock down the highest-risk issues first, because we are starting with nothing right now.

Mr. LATOURETTE. Will that committee, when it is stood up, accept suggestions?

Mr. ROGOFF. Absolutely. The idea to do this advisory committee was inspired largely by the RSAC and the FRA, where they do take external suggestions. And I am sure we will, too.

Mr. LATOURETTE. When that event occurs, like the shop is open for suggestions, could you have somebody just——

Mr. ROGOFF. Absolutely. We hope to be announcing our slate of participants in the next couple months. And once that is up and we have a chairman, maybe I could bring that person to your office and we could talk about that.

Mr. LATOURETTE. Thank you very much.

Mr. OLVER. Thank you. Mr. Latham.

Mr. LATHAM. Thank you, Mr. Chairman. And Mr. Boardman, I think the thing that a lot of people obviously look at Amtrak is the fact that I think 41 out of 44 of the lines are losing money, subsidized at the rate of about $34 per passenger.

And I understand that you are serving a lot of areas with lower population, like when you cross southern Iowa and Amtrak does not even go through a populated part of the state. I mean, which always amazed me that, where people would actually get on Amtrak, there is nobody that lives there.

Mr. BOARDMAN. But we have to get from one state to the next, so we do go through Iowa.

Mr. LATHAM. I know, but there are people in Iowa, too. [Laughter.]

Mr. BOARDMAN. I know people in Iowa.

Mr. LATHAM. You do not have to purposely go around them.

You know, on the positive side, there are, you know, the Acela line is making about $41 per passenger, but the Sunset Limited continues to lose about $462 per passenger. And even the popular Northeast Corridor loses about $5 dollars per passenger.

What happens if you do not get what your request is, you continue to lose money? You know, the utilization obviously is much heavier on the East Coast, but the rest of the country is paying for it. And how do you address that?

Mr. BOARDMAN. I think that one of the things that I found at Amtrak, even before I got at Amtrak, is there are a lot of statistics, and there are a lot of averages. And there are a lot of things that people can point at.

But I think what needs to be understood is this is the most efficient railroad in the United States, period. We cover 80 percent of our costs in this railroad. There are no transit systems in this country that cover that kind of expense. And I do not think that there are probably any in the world.

And so what happens is, we are very large. We operate all over the country. And so that the focus becomes on the very rural areas of the country. And if the same focus was placed on in Iowa—and I happen to be raised on a dairy farm, have family in Clarinda, Iowa, and worked in Audubon County, Iowa.

But if the focus today was on the electrical power supply and where it goes in this country, then there would be the argument that we should not take it to the places where there is no population.

I think what we do with, one of the strengths that Amtrak has is it connects this country together, coast to coast, border to border. And one of the other things that is discoverable, as the Chairman pointed out, we discovered really what the facts were when we looked at the fleet, we are finding the facts on what we have as an efficient railroad truly exist.

And when you are out, on our system as I was out in Chicago about two weeks ago at what we call a town hall meeting, what we hear is that our prices are very high. And they are. We charge a lot of money to ride the railroad. And people want it to be better.

And one of the things that is preventing us from making it better is this aging-out of the equipment that we really have.

I think today we do not generally understand—and I am not pointing fingers at other modes when I say this, because I have been a state transportation commissioner. I know the difficulties that the highway guys have. I know the difficulties that aviation has.

But there has been a regular investment going into the highways, going into the airports, going into the transit systems that have not existed for America's railroad, for Amtrak.

And so instead, we get distracted by the high cost for a particular section of one route that does not deliver what the country would expect to be delivered. But when you look at the overall, and the connectivity for this country, you have a very good deal with Amtrak.

Mr. LATHAM. How do you—even the Northeast Corridor, you are losing five dollars per passenger.

Mr. BOARDMAN. We are actually making 121 percent of our cost above the rail, so the non-capital cost, on the Acela service in the Northeast Corridor.

Mr. LATHAM. Acela. But that is not all of the Northeast Corridor.

Mr. BOARDMAN. And the Regional, when you add to it and you put it all together, we do not do as well. It is because business—

and it is primarily businesspeople that ride the Acela, because time is money. And other folks do go by the Regional operation.

We see more and more of the service on the Northeast Corridor. We need to get to two hours between New York and Washington, and three hours between Washington and Boston.

And we are working today, I talked in my testimony about creating a high-speed rail group, division. It will have two focuses. One is in the area that has already been identified by somebody else with a vision, like California and Florida, and we want to be the operator of those. And the other is the Northeast Corridor, and how we can make it faster.

Even sometimes, Congressman, people do not understand the difference between miles per hour and kilometers per hour. And the Europeans talk about over 200 kilometers per hour or 240 kilometers per hour; 240 is 150 miles an hour, and that is what we operate.

But we operate every day at over 200 kilometers per hour, and we could do it with more trains if we did not have, as in the last photo shows, the Heritage cars, where we cannot go any more than 110, which is 160 plus whatever, 16. So it is '76. I will be stretching my conversion factor here.

We deliver better mobility in the Northeast Corridor. We have 40 million people within 40 miles of that corridor. It is the best corridor to run high-speed rail in the United States.

Mr. LATHAM. Can I ask each of you, I guess, a question? And I think you are doing a great job, myself. I mean, in a really difficult situation.

Mr. ROGOFF. Thank you, sir.

Mr. LATHAM. I really do, I appreciate it. It must be that Iowa touch. [Laughter.]

Mr. LATHAM. Can I ask each of you, though, who is right? I mean, should the money—you have got a total of what, about $14 billion over time, you are talking about for new high-speed, new stuff, new, shiny stuff? And you are dying because you have got old equipment that is falling off the track. Where is the priority? Who is right?

You have got him asking for an additional billion dollars more than what you are going to give him, because he has got desperate needs. And here we are spending all this additional money on new, shiny stuff. I mean, and maybe that is great, I do not know.

Mr. SZABO. Well, I think there is two parts to that answer. I mean, first, when it comes to Amtrak's general budget request, again, we have to make some very, very difficult decisions, as anybody does when they are proposing a budget.

But when it comes to the high-speed rail program, literally the Northeast Corridor is eligible as a recipient of those grants. And it kind of comes back to what Joe was talking about in getting his Northeast Corridor Committee set up, under PRIIA. We are moving forward, the Secretary is, with getting the Northeast Corridor Commission set up to start planning the steps that it is going to take to bring the Corridor to the next level. And it is clearly part of our vision.

Mr. LATHAM. Yes?

STATE OF GOOD REPAIR

Mr. ROGOFF. I think in trying to bring this to a transit context, Mr. Latham, I think you have put your finger on an issue that we wrestle with every day, and are wrestling with increasingly. And that is the tension between the desire for people to have new systems, and the challenge in having enough money to maintain the systems they have.

And we are, at the FTA, taking a hard look at this. You know, a lot of the attention our agency gets actually is not where the bulk of our money is; a lot of it is on the brand-new systems we are building. And as I am sure you can appreciate as an elected Member, there was a lot of enthusiasm by the electeds, both federal, state, and local, when you are providing a new service to a community.

But the state of good repair of existing systems is also an emerging high priority for the whole Department, under Secretary LaHood. And it is not just transit; it also has to do with the condition of our highways, the condition of our runways. It is going to be one of our emerging strategic goals.

And we have to take a hard look. We have got a situation right now in a number of cities that are simultaneous trying to build new new-starts, which is to say expand their footprint, when they are really struggling to put adequate funding into maintaining their existing footprint. And we have to make a difficult call as to whether we are going to let some of those projects go forward.

So you are on to a very telling issue, and that is, how do we balance, in an area of scarce resources, the issue of what we can afford to build out new. This Administration wants more transit service; we want to provide more transit opportunities to more communities.

But we also know that if we under-invest in the existing service, and that service becomes unreliable or, worse still, unsafe, we are going to lose transit riders on the existing service.

So if you look at the FTA budget, I mentioned before we have an 8 percent increase for our state-of-good-repair efforts, both rail and bus. But the overall budget increases only 1 percent, while there are reductions elsewhere in our budget.

One of the areas is our new starts budget, which goes down $200 million from what you provided us in 2010. That was a difficult tradeoff, but we felt that the state of good repair was critically important.

Mr. LATHAM. I do not know if you have any comments.

Mr. BOARDMAN. Well, I guess the only thing I would say is that it is a very difficult question. It is like the question of what is more important, your hands or your feet, your eyes.

And I would say that it is critical that we have connectivity with Peter's transit systems in order to make intercity passenger rail work.

We are not falling off the rails. We have, as one of the greatest strengths, not only that we connect border to border and coast to coast, is we have a workforce that understands how to get the job done. So we have tremendous ability.

And one final thing. We have a great workforce that has a memory that said, and they passed it to me, that the original 1971 plan was for Amtrak to go through southern Iowa simply because this is part of the state that was so underserved by other modes. So I just thought I would give you the reason why we are down where we are, in Iowa.

Mr. LATHAM. It is probably because there are no people there. [Laughter.]

Mr. BOARDMAN. Just trying to be responsive, Congressman. That was the 1971 plan, when they were put together.

Mr. LATHAM. 1971 plan. Oh, you would use that one. I thought it was because it was the end of the old Northern Pacific, or probably the old Northern Pacific that went that route.

Mr. BOARDMAN. It might be that, too.

Mr. LATHAM. It is 50 miles away from any populated center.

Mr. BOARDMAN. Yes.

Mr. OLVER. All of those years ago, before anyone decided that they would—some of us would remember where they grew up in Des Moines as the center city of Iowa. Anyway.

What we have just had, this has been a very good conversation. What we have just had is really passionate statements by Mr. Boardman, and very, very cerebral statements being made by Mr. Rogoff. The other end of the line and in between——

Mr. SZABO. And I am right in the middle. [Laughter.]

Mr. OLVER. All I can do in this is to generalize, to assert that we are really very, very far behind in our capital investment programs, across the board essentially. And that goes to the authorization. I think that our subcommittee members would generally agree with that.

How we are going to pay for them in order to make the balance, the right balance, is a different question. What they agree with is we have really serious needs in a capital program, whether for state of good repair or for expansion, both of them.

Mr. LATHAM. Just if we are having a conversation, and not on anybody's time here, but that is why—and I said last year, I think we missed a huge opportunity in the Stimulus to take a bunch of that money that is being spent on God knows what, it is not going to have any long-lasting benefit.

And we have got these tremendous infrastructure needs. And we should be doing these things. And that is where the money should be spent.

I mean, you could take care of 700-and-whatever, $87 billion if you just took 10 percent of that. Think what you could do for infrastructure, for high-speed rail, for Amtrak, for new system. I mean, that is where the investment should be, rather than all the new other things that do not produce anything.

Mr. OLVER. At the same time, there had been such a deficit over a period of time that people really did not have the plans ready to go, or the designs ready to go, to spend a lot more of that money at that time. And so many of the parts of the Stimulus Plan were intended to spend out more quickly.

Mr. LATHAM. Right, right.

Mr. OLVER. Whereas much of what is in the transportation infrastructure side requires some lead time to be able to get there. So we probably could, now.

Mr. LATHAM. We never will get there——

Mr. OLVER. If we keep up the momentum, we probably could produce more in the future. We have clearly those examples every time the $50 billion, for which we had $8 billion to go out, another $50 billion for the TIGER grants. Mr. Rogoff just tells us in his testimony that they had at least 10, between 10 and 20 times the amount of money requested for your two little hundred, 120, 150 million-dollar NOFAs that you are going to be giving out in June, in a couple months. You had at least 10 on the one, and 20 times on the other, the requests for those funds.

Mr. ROGOFF. Yes, TIGER was $60 billion for one——

Mr. OLVER. Goes to show the kind of deficit. You mentioned, Mr. Boardman, that you had $5 billion—I do not like to hear that we want to get to two hours from New York to Washington, and three hours from New York to Boston. They should be darn close. They should be within half an hour, at least.

Mr. BOARDMAN. We will make them both two and a half. [Laughter.]

Mr. OLVER. Yes, well, all right. But if the next time you make that comparison you use two and a half, I will still bitch.

Mr. BOARDMAN. I understand. [Laughter.]

Mr. ROGOFF. Mr. Chairman, I am all for you bitching at Joe, but I think——

Mr. BOARDMAN. Thanks, Peter.

Mr. ROGOFF. There is an issue here that I think you need to recognize. We have worked very hard to get Boston down to three hours from four and a half, when we originally electrified New Haven to Boston. This was in the nineties.

There are some real infrastructure issues about the curvature of that track that will really undermine your ability to get down to two hours. But——

Mr. OLVER. There are longer stretches from New York to Washington that go quite straight.

Mr. ROGOFF. Right.

Mr. OLVER. And on the whole, probably less environmental issues.

Mr. ROGOFF. Absolutely, especially on the seashore.

Mr. OLVER. I am willing, if in my lifetime I could see two and a half hours from Boston, and two hours from Washington to get to New York, I would be pretty happy.

Mr. ROGOFF. Well, if you do not, it is Boardman's fault. [Laughter.]

Mr. OLVER. Well, yes. By the way, I was sort of using my own time here, my 10 minutes or whatever, in order to give Mr. Berry a chance to come in. If you guys do not mind, I will go to Mr. Berry next. Okay. Would you like to take your time? You can have as much as 10 minutes, if you have as many things to say as our other Members have had.

Mr. BERRY. Well, a lot of the discussion is about how we need to expand our infrastructure. And I support that. And it sounds like what we need is a Stimulus bill every year, which would be real popular.

And I support these things. I apologize for missing your discussion in the beginning of the meeting. I just want to raise one issue with you.

In the district that I represent, one of the, if not the, greatest problem we have with the railroads is the way they treat their neighbors and the communities that they go through.

And in many cases, with total disregard for the law, whether it be state, federal, local, or whatever that might be. And it is a really difficult thing to get their attention. And even when you do get their attention, the first, second, and third answer is always no, we are not going to do that, hope it works out for you, and pretty much ends there most of the time. Because few people have the resources to try to engage them in a meaningful way.

And I would ask for your help in trying to work through. These are generally very minor situations, but their impact on a small group of people is major. And when you take all a man has got, it does not matter whether it is a little bit or a lot, it is all he had. And that is what we are dealing with sometimes, that they cause that kind of harm to a small landowner or an individual that is not necessarily well off.

And I would ask your help to do that.

Mr. SZABO. Congressman, I will be happy to help. We will make a point to come by and see you and discuss issues. And obviously, where we have a regulation, we will enforce it; where we do not, we will use the power of the bully pulpit.

Mr. BERRY. Thank you very much. Thank you, Mr. Chairman. I yield back.

Mr. OLVER. Okay. I am going to go to Mr. Latham.

Mr. LATHAM. I am just curious. You said earlier that you recover about 80 percent of your costs.

Mr. BOARDMAN. Operating costs.

Mr. LATHAM. Operating costs. And that for some lines now today, that some of the fares are too expensive to begin with.

Mr. BOARDMAN. That is what we hear from our customers.

Mr. LATHAM. And so we are going to be expanding the system dramatically. Is the expectation going to be, from one of you, that, with all this new investment in high-speed rail, and it sounds good and everything, that we are going to do any better?

Mr. BOARDMAN. Yes. Let me address that. First of all, for the fleet that we are talking about here, this is not an expansion.

Mr. LATHAM. I realize that.

Mr. BOARDMAN. It is a replacement.

Mr. LATHAM. But it is a model of, you are saying the fares are already too high, and we are going to be building this whole new system again. And you are talking about not even recovering capital expenditures.

Mr. BOARDMAN. Well, capital expenditures in terms—yes. You cannot cover all your capital, just like you cannot in any of the other modes. So setting capital aside, what I want to address is your question about whether this gets paid for in the future, and how do we deal with this.

And that is that when you really look at how do we, how should Amtrak go forward, the Northeast Corridor is one piece of Amtrak. It has the national system, which connects coast-to-coast, border-to-border. And it is just a requirement here, just like the interstate highway system is you cannot stop it at the border, you have to have it go through.

Commuter rail systems need to stand on their own. They are funded often by Peter, but they need to stand on their own when they deal with Amtrak, and they have to pay for themselves. So Amtrak looks at that as part of a business proposition for Amtrak, not a subsidy proposition for Amtrak. So there should be money coming in the door.

And Congress has made that very clear to us in the past, that it is important on the commuter side of things that Amtrak make money with that.

It is the same in the high-speed rail that is being proposed for Amtrak. Amtrak looks at those, we want to operate the high-speed rail, but Amtrak has to be paid for that by those that are funding the high-speed rail. And the expectation by them, the estimates, the decisions that they make, are the decisions that pay whoever the operator is to run that.

So Amtrak is looking like a business, Congressman, to deliver the product at a lower cost to Congress for the future. That we have less subsidy, that we cover more of our costs, because we are finding more business opportunities to do that.

Mr. SZABO. The high-speed rail program essentially is a state driven program for the capital needs that are federally funded. So ultimately it is the states that have to assume responsibility for the operations, should there be any deficit.

But the model that you actually want to compare it to is the Acela service. You know, where, again, from an operating standpoint, they are covering operations, and perhaps a little bit above, but the capital is provided.

Mr. BOARDMAN. Let me—and Joe, you brought up the right thing, and I did not say it. When we estimated the new Lynchburg Service that started last year here in Virginia, what the cost would be, we picked up enough ridership that there was no necessity for a subsidy by the State of Virginia for that service here just recently.

So there is a backlog of demand that is out there, that I do not think is well understood, in the country, of the services that are being desired.

Mr. SZABO. Yes. The bottom line is that when you have the frequency of service, the quality of service, it generates ridership. You have a very, very strong opportunity to, at a minimum, cover your operating costs.

FUNDING TRANSIT AGENCIES

Mr. LATHAM. Are not a lot of the local transit organizations asking the federal government for operating funds this year?

Mr. ROGOFF. There is a lot of focus on the desire for operating funds, because we have service cutbacks going on, and layoffs going on at a number of transit agencies really, coast to coast. And that comes even after we have boosted our agency's funding of those agencies, some 84 percent in a single year, through the Recovery Act.

The vast majority of that money was for capital expenses. There was some additional flexibility granted to allow that to be used for, about 10 percent of each large agency's grant could use it for operating expenses.

But the reality is, between the loss of sales tax revenue, especially transit agencies that are dependent on sales tax revenue, those revenues went down so fast that they are really struggling to keep services and employment levels constant.

We even have some transit agencies that are dependent on property transfer tax revenues. So you can imagine what happened to those in the real estate bust.

So yes, there has been increased focus. We heard a lot of it last week, when the transit agencies and the unions were in town. And we are looking at some, in some states, some really quite dire cuts.

Mr. LATHAM. Does the plan take that into consideration long term? Or does your budget this year allow for funding for operations at the local level?

Mr. ROGOFF. Our budget does not have increased flexibility specifically for operations. There already is flexibility in the law that allows capital funds for some operating-type costs—this whole debate really pertains to agencies in cities of 200,000 or more. They are the ones that must use their funds solely for capital expenses.

But our definition of capital expenses also includes preventive maintenance. That is, in many cases, an operating-type expense. But here, you go right of the tension that we talked about before; and that is the tension between operating costs and the tension of putting enough money in the state of good repair on the capital side to keep things up and running.

And the Secretary has said that he has an open mind, and is interested in having a dialogue with Congress as to whether operating costs should be, at least on a temporary basis, recognizing the current economic reality, a permissible expense.

But we do not propose anything in the budget that expands that opportunity at present.

Mr. LATHAM. Okay. And I have run over, Mr. Chairman. Thank you.

FTA NOTICE OF FUNDING AVAILABILITY

Mr. OLVER. I think you are trying to get us back to five-minute sessions here, but that is perfectly all right. We can go back and forth.

I would like to explore a little bit the program that I mentioned, the two NOFAs that you have out that you have worked on.

Have you found, in those that have been assessed by now, you have got all the applications are now in. You know you have how many, there are 65 applications in the one case, and in the other case, 150 or whatever it is.

All those applications are now in and under assessment, I take it.

Mr. ROGOFF. They are under assessment. They are not all completely assessed.

Mr. OLVER. Do you find them to be cookie cutter kinds of applications?

Mr. ROGOFF. No. We are actually finding a very broad diversity, both under the urban circulator and the bus livability programs, some urban, some rural, some suburb, and some coming at the livability challenge, fulfilling two or three or four of the five principles that we articulated in the NOFA.

Mr. OLVER. Okay. In the case of the, well, the TIGER grants were being covered and being assessed by all of you, I take it.

Mr. ROGOFF. Correct.

Mr. OLVER. Or at least, I do not know whether you were involved in the assessment.

Mr. ROGOFF. No.

Mr. OLVER. But at least the two Administrators here were involved in TIGER grants.

Mr. ROGOFF. As was highways and——

Mr. OLVER. Along with MARAD and so on. Did you, in those that you have seen or know about, were they one size fits all in any way?

Mr. ROGOFF. No. Especially because the TIGER eligibility was so broad, we had everything from freight rail projects, including port projects. This was, I think, one of the great opportunities that we fulfilled in the actual awards. We had some true intermodal projects that combined highway improvements and the transit improvements in one grant.

Mr. OLVER. In the rail items, in the high-speed rail items, under the High-Speed and Intercity Passenger Rail Program, that $8 billion program, were they one size fits all?

Mr. SZABO. Oh, no. On the contrary.

LIVABILITY

Mr. OLVER. All right. That was my impression. And it seems to me all of these things that you are talking about, and some of them have to do with the livability and sustainability issue, they are almost certainly, the sustainability and livability, the very definitions of those vary whether you are in an urban area, or a suburban area, or in a rural area.

Mr. ROGOFF. Correct.

Mr. OLVER. And what we are looking for is options, transportation options, that also meet the concepts in all of their glory of what sustainability and livability may be. That is my sense of this.

So I am sorry, the Ranking Member earlier on made a comment about one, he is very worried about one size fits all. But I think what we have been doing is very much in contravention, direct contravention of one size fits all, it seems to me, in the transportation programs that we have been functioning in.

Mr. ROGOFF. Yes. And there are some enduring themes, but they are principally built around how you enable people to be mobile who either do not have a car or want to get out of their car or basically choose to use public transportation, to go to the community around them. So, let me give you an example that is an important livability challenge for us because it is an important emerging need for the whole nation: the elderly, especially the isolated elderly, and how do we allow the isolated elderly to age in place. I go up to northern Michigan every summer and in a lot of those communities, a lot of jobs have left and the people that are remaining in those communities are elderly. They need to go farther and farther to their healthcare services, whether it is the VA hospital or just to be part of the community and actually be able to go to the community center and get to the center of their town to get to shopping, to get to church. And not all of those elderly are on the road and not all of them should be on the road. That is a livability challenge.

Mr. OLVER. Let me get some comment——

Mr. ROGOFF. I am sorry.

Mr. OLVER [continuing]. From Mr. Szabo. I agree with you totally.

Mr. SZABO. I just wanted to say whether you are talking about the TIGER grant program or whether you are talking about the high-speed rail program, the strength of them is the fact that it allowed DOT to shape the applications based on what their needs were and that there was absolute flexibility to meet state and local needs in favor of those applications. Or it was far from a cookie cutter; on the contrary, the exact opposite.

Mr. ROGOFF. It actually made it very challenging to have one application compete against another because of the diversity between them.

Mr. OLVER. At the same time, one cannot have things that have to serve a national plan essentially and not have things that simply do not connect with each other. So——

Mr. ROGOFF. Well, the applications, while flexible had to achieve——

Mr. OLVER [continuing]. Which is why we have high-speed rail corridors that we are trying to achieve a certain national kind of program——

Mr. ROGOFF. The applications have to be broader——

Mr. OLVER [continuing]. At the same time that sections of it might be quite different.

Mr. SZABO. Yes.

Mr. OLVER. Right, have quite diversity.

Mr. SZABO. Have to be part of the Administration's goals.

Mr. OLVER. Whose turn is it here anyway? Mr. Berry. You are going to pass? You are going to pass. All right. Mr. Latham.

REPLACING BUS FLEETS

Mr. LATHAM. Thank you, Mr. Chairman. I want to go back to when we first opened up the hearing today talking about transit, you know, bus transportation systems, transit systems. In a State like Iowa, where we put in about 62 million dollars here, we get back about 38.8 million and we have the—it is kind of like Amtrak. We have got these really, really old buses sitting there that are not efficient, environmentally not very friendly. What can we do to address that? I mean, my communities are just having a real problem with all of this money going elsewhere and there are real problems at home. Can you help me?

Mr. ROGOFF. Yes, I can and I think we are helping and this is how. When you look at the Recovery Act, 11 out of the 12 grants that went for transit in Iowa were used to purchase vehicles. In fact, there are some 249 new vehicles that have been ordered with Recovery Act dollars in Iowa. And what I am told is that between the Recovery Act resource and the regular 5307 formula dollars that Iowa gets, over the last few years with these purchases, the percentage of your fleet that will be over-age will go down very rapidly, from about 60 percent to 40 percent.

But that said, if you remember from my opening statement, I said that one of the things we are concerned about is that 40 percent of the bus fleet is over-age, which is to say these funds have now brought Iowa to the national average. So, 40 percent, I would argue, is not good enough.

We talked a lot this morning about the Bus Livability NOFA and what that was, was discretionary bus funds that we put out as a competition for livability principles. But in 2010, you also have generously granted us probably a historic high in unearmarked discretionary bus dollars and we plan to put that out for competition, too. And our focus for a large chunk of that money will, in fact, be State of Good Repair, to address things like not only the aging fleet, but aging facilities. So, that competition is upcoming. I will make sure that our region in Kansas City that deals with the Iowa folks everyday makes sure that everyone gets the full information they need to compete under that program because, as we said, we have made huge strides with the Recovery Act to deal with the aging of bus fleet, but we can do more.

Mr. LATHAM. One concern I have, a lot of the buses did not replace the oldest buses in the State, if that makes sense, because a lot of the systems we have, they have some of the oldest buses, did not get funding.

Mr. ROGOFF. But a lot of the systems, in a State like Iowa, are funded through the statewide grant and it is up to the Iowa DOT to allocate those funds based on need. Also, Iowa has had a statewide earmark from time to time for bus purchases. So, I think there is maybe some work to do. It is called an earmark. It is hard given my history to deride them, so I am just saying it like it is. But, it is important. Perhaps a conversation also needs to happen with DOT more about how that gets allocated.

Mr. LATHAM. In your testimony, you talked about creating two new programs out of the bus and bus facilities discretionary dollars that were not earmarked, one for 130 million for the Urban Circular Systems Program, another for 150 million for the Livability Program. In a place like Iowa, we do not have a lot of the urban districts and like we talked about have some of the oldest buses. I am just wondering if we are going to get—in the formula get—I hate to discriminate against, but the discretionary programs are not going to be able to fund rural transit systems. Where the new emphasis is, is away from places like where I live.

Mr. ROGOFF. Well, I will agree. Obviously, the Urban Circular Program is a hard one to bring into a rural context. I think you will see some rural grants coming out of the livability initiative. But importantly, we will put an even larger chunk of money on the street for the State of Good Repair Program, and that is one which I expect especially systems with aging facilities and their aging fleet will do well.

I think what you may be referring to is in our budget proposal. If we merge the bus program into a formularized the State of Good Repair Program, will it recognize bus needs. And it is our expectation that it will fully recognize bus needs and buses will get—you know, the majority of my operators are soley bus operators. While rail gets a lot of attention, the reality is not only the majority of our operators, but the majority of transit trips are taken by bus and we have not lost sight of that.

Mr. LATHAM. Okay. I see I am out of time, Mr. Chairman.

TIGER GRANTS

Mr. OLVER. Thank you. For the two of you, who are involved in the TIGER grant assessments earlier, do you expect to be equally involved in the TIGER grant assessments for the 2010 monies, 600 million dollars that are out there?

Mr. ROGOFF. I believe it is our expectation that it will be standing up the same interagency teams to evaluate those grants.

Mr. OLVER. Are you aware, if you want to sort of confer and agree on what the timetable is likely to be on when those are ready to be out?

Mr. ROGOFF. I think the goal is to——

Mr. OLVER. That would be up to the Secretary, I suppose.

Mr. ROGOFF. Yes. I mean, I am quite sure the goal is to complete that process through the summer to get awards out in the fall and we have just not been given a hard schedule yet.

Mr. OLVER. Well, given the job situation, the earlier the better, of course, on those things from my point of view.

Mr. ROGOFF. And we are taking the same approach with our discretionary transit dollars. The Recovery Office very much wants us to get that on the street as soon as we can.

NEW STARTS CRITERIA

Mr. OLVER. Mr. Rogoff, on New Starts, the Secretary announced earlier that you were going to now be evaluating equally all the criteria when considering projects for the New Starts Program. Exactly what does that mean?

Mr. ROGOFF. Well, it was a major change. As you may be aware, Mr. Chairman, in the statute for evaluating New Starts projects, there are designated areas which we are supposed to evaluate projects and they include mobility benefits, economic development benefits, land use, and how that land use planning fits into the value of that project, and environmental benefits. In 2005, that whole process got done away with and the only criteria to get funding in the President's budget was the cost effectiveness index, a very narrow criterion. And what we found is that criterion was actually working against our livability goals because it was resulting in some very perverse effects on which projects got funding and which projects did not. And some of the very reasons why projects were running afoul of the cost effectiveness index were things that we wanted to promote. There were even some projects that wanted to have added safety equipment and had to take that safety equipment out because of the added cost. So, the Secretary announced that we would do away with that single criterion and go back to the approach that is in the law.

Mr. OLVER. Does that mean that there is going to be sort of a scoring mechanism whereby each of three or five categories of considerations have equal weight in the scoring? How does that function?

Mr. ROGOFF. Well, the SAFETEA——

Mr. OLVER. How does the concept of equally evaluate all the criteria——

Mr. ROGOFF. The SAFETEA–LU Technical Corrections Act included language to require us to weight them all equally. What they were trying to get at was to get around that single criterion focused on cost effectiveness. We now have language that tells us to weight them equally. I will tell you this, we are going to put an ANPRM on the street shortly soliciting input from all stakeholders to ask them how they think we should evaluate these projects going forward. So, we are taking a fresh look at this whole issue with the input of the public.

Mr. OLVER. Okay. And so what kinds of projects are really going to benefit from this change?

Mr. ROGOFF. Well, I think the kind of projects that will benefit are those that, in some ways, embody the livability principles and that they have very, very good land use planning, even if they may have expensive right-of-way that they need to procure. Let me give you one example because that is the most concrete example we have. We have a project that was going to fail, potentially fail the cost effectiveness index and now because of the change, we can do better things with it. That is the light rail system between Minneapolis and St. Paul. In order to not run afoul of the cost effectiveness index, the Met Council is going to build, instead of three stations in the heart of the African American and Asian community in Ramsey County, only foundations for the stations, but not the stations themselves. This change has allowed us to partner with them to build those three stations, which we think is a laudable and important goal.

SMALL STARTS

Mr. OLVER. Okay. Let us see here, I had one other thing I wanted to ask you. I notice in your testimony, you speak of new starts and small starts. What has happened here to the very small starts? There is no reference to the very small starts, only the lowest category in the reference and, also, it seems to me, in the budget, itself. Has it just simply been subsumed in the——

Mr. ROGOFF. Yes. The small starts. It is a parlance issue. The request that we have for the Small Starts Program embodies both the small starts and the very small starts. We do have different criteria for each. We do not generally have a——

Mr. OLVER. That is no more than 75 million in the small starts and no more than 250——

Mr. ROGOFF. Two-hundred-and-fifty, right.

Mr. OLVER [continuing]. Million total investment in the program, whereas the very small starts are generally viewed as 80 percenters and the 50 million maximum for the project.

Mr. ROGOFF. And we do not generally include an explicit dollar requests for very small starts and, therefore, it is not exclusion by design. It is just sort of how we have handled it in the past.

HIGH-SPEED INTERCITY PASSENGER RAIL

Mr. OLVER. To Mr. Szabo, I think you have done a wonderful thing in managing the way we have gotten out the program thus far because we did throw in the ARRA funding a year ago and a lot of stuff at the agencies, particularly the FRA. They are something quite unexpected for anybody who had been watching a month before it had happened. Can you give me an update as to just how you have been doing on the adding of personnel that come out of the needs for—let us see here—writing for the 2011 budget, where you have asked for some additional personnel. So, it is in the 2010 budget. How are we doing on the development—on the filling of those positions that you are allocated in the 2010 budget?

Mr. SZABO. Well, extremely well. We have been working diligently at getting new personnel hired. We have several of them on board. Mark, we have an actual total of how many in so far? Yes, five on hand so far, but continue to do the interviews. Very happy with the caliber of the personnel that we are getting. We feel good about the future and the staffing that we are getting on board.

Mr. OLVER. Okay. I am going to ask more specific questions of you in that area later.

Mr. SZABO. Okay.

Mr. OLVER. From my point, I do not want to make my ranking member too annoyed at me. I would like to know, how are we doing on the awarding of the announced $8 billion in the high-speed rail grants? Where are we on the process of the award, the actual award of those because that means contracts and such.

Mr. SZABO. Exactly. What we have done, we put into effect a fast track process. We are working with the State DOTs and helping them prioritize their projects, to determine which ones clearly are the most ready to go. And essentially, what we are doing is setting up a process where it is almost like your faucet, where you turn the water on and it just steadily continues to flow out. And so by getting those projects that are most ready to go out the door right now, as we continue to help the States further develop those, it just made a little bit more work. And continue to work on those, it made quite a bit more work, we get this steady progression.

Mr. OLVER. That is perfectly reasonable, it would seem to me. Have any been awarded now, actually awarded?

Mr. SZABO. No.

Mr. OLVER. When are we going to begin to see that faucet begin to open?

Mr. SZABO. I would say about——

Mr. OLVER. That is where the jobs are. When they are awarded, then they can begin to move on them.

Mr. SZABO. Yeah. I would say about the next 60 days.

Mr. OLVER. Sixty days. And those awards, do you expect those to be all awarded by the end of this year, by the end of this fiscal year?

Mr. SZABO. Yeah. There will be some letters of—some cooperative agreements, some letters of intent. You know, it is a little bit again like there is not the one size fits all, where everything will be a fixed agreement.

Mr. OLVER. I sort of mixed up the argument. The argument I made was in the ARRA fund, which the actual announcements were made back in January.

Mr. SZABO. Right.

Mr. OLVER. The 2010 monies, the $2.5 billion for that, are they going to be following the same sort of a grant process?

Mr. SZABO. What we will be doing, actually, there will be a couple of NOFAs coming out. By the end of March, we will have our notice of funds available out for the planning money that comes out of the $2.5 billion. And also for the——

Mr. OLVER. Which was how much? Remind me?

Mr. SZABO. $50 million for the planning money.

Mr. OLVER. $50 million for the planning money.

Mr. SZABO. And the NOFA will be out by the end of this month, by the end of March on that. And then also the remaining balance on the 2009, the 50-50 project money, we are going to circle that back out around——

Mr. OLVER. So, you are still working on 2009 money?

Mr. SZABO. Yes. There was a little bit of 2000—some loose change I would call it. It was 50-50 project money. It was track four under the last round that was put out. And, first, because there was 100 percent money available under ARRA, not too many folks applied for the 50-50 money. And, so now, we have the States coming back, they are saying, you know, now that awardees have been selected, would you put that out for another round of applications?

Mr. OLVER. The $2.5 billion is match money.

Mr. SZABO. The $2.5 billion, we will have the NOFA out on that by the end of the spring and that is match money at the 80 percent federal with the 20 percent state or local match. And, again, the goal is to have that awarded by the end of this fiscal year, by the end of September.

Mr. OLVER. Okay.

Mr. BOARDMAN. I think all the Administrators put 50–50.

[Laughter.]

Mr. OLVER. What I now have is my ranking member has another question. I should shut up and then we will be able to go. Mr. Latham.

Mr. LATHAM. No, I am just curious what has gone out. I mean, there is no contracts——

Mr. ROGOFF. You are talking about on the eight billion?

Mr. LATHAM. Right.

Mr. SZABO. Again, the announcement was just made 60 days ago. We are in the process of working with the States and in the next 30 to 60 days, we will see some initial awards made.

Mr. SZABO. It is probably worth remembering, I mean, the idea of the stimulus was——

Mr. OLVER. More of the high-speed rail. We put $8 billion out, but we still could not get any working.

Mr. LATHAM. I know. But, you are not going to be able to plan long term if there is not a commitment. And my point is that we should be putting a hell of a lot more money into this than we should in spending on other programs that have no long-term benefit. And, obviously, this is not having a stimulus effect now either because there are no contracts that are let. The money is not going to go out of the door probably for a year or more at least before anything actually happens. So, I mean if the idea of a stimulus was to stimulate the economy, it is not working.

Mr. SZABO. But if you recall when the stimulus bill was passed, there was a third——

Mr. LATHAM. I remember.

Mr. SZABO [continuing]. An exception was made for the high-speed rail program that gave us until 2012 to obligate the $8 billion. And an important part of this, you know, is getting the States prepared. The States have had 80 years of experience in executing road and highway projects. They are very experienced. They have, you know, instead of plans on a shelf, but as soon as funding becomes available, they have their next project that they are ready to move forward. In most cases, the same was not true in States when it comes to rail. So, it is a matter of partnership, working together.

Mr. LATHAM. I think you are making my point, is that they will never have long-term plans if there is not a funding source out there. And rather than spend money on a bunch of other things that will not do anything besides grow more government, we should actually have this commitment out there, so that they can plan for the future. This is where we have been. He is starving over here and you are saying that you have $8 billion sitting there that you are not going to get out of the door, he can spend tomorrow, right? Could he not spend it tomorrow? Does not he have a need for it?

Mr. BOARDMAN. I would take a good shot at it. [Laughter.]

Mr. LATHAM. No. But this would actually create maybe some jobs right away if he had that money here today, rather than——

Mr. SZABO. Obviously, there is a challenge with the high-speed rail program because you are balancing sometimes conflicting goals, which is the immediate job creation, but the transitional——

Mr. LATHAM. It is a stimulus package. The idea was to stimulate the economy.

Mr. ROGOFF. Well, just to weigh in, I just want to remind you, since we are talking specifically in the rail context. When you look at our other surface transportation initiatives, my agency's stimulus money, $8.4 billion dollars, is 100 percent obligated and 25 percent disbursed. Highway is not very far behind me. Money is getting into the ground. Albeit, we did recognize, when I was in a different capacity, when we put in the high-speed rail money, that it would need a longer obligation deadline because a lot of these projects were starting without a lot of experience.

Mr. SZABO. We are setting up a brand new program. But, we feel good about the progress that has, in fact, already been made and feel good about the direction that we are heading.

Mr. LATHAM. I wish I could feel better with you. That is my only question, Mr. Chairman.

Mr. OLVER. With that, I think you may actually agree with me that the $1 billion, which is a continuation for the next year, which is in my original comments, if that seems not enough to keep the momentum, to give people the sense that we were really serious about this——

Mr. LATHAM. We just had testimony they cannot spend it now.

Mr. OLVER. Well, I will explore that a little bit further, now that you had that opportunity. Mr. Szabo, on the Northeast Corridor, you said earlier in the very beginning, it was an answer to your question, I think, rather than in your testimony, that Amtrak was eligible for high-speed rail money.

Mr. SZABO. The Northeast Corridor.

Mr. OLVER. The Corridor, the Corridor.

Mr. SZABO. It would be a matter of the States applying——

Mr. OLVER. The States applying——

Mr. SZABO [continuing]. The appropriate——

Mr. OLVER. But now, in order for the States to apply, a plan is under creation, is it not? How close is that plan ready to fly essentially? How close is that plan ready to fly, so that they may apply because you have a plan coming from the States.

Mr. SZABO. This Committee has just been set up.

Mr. OLVER. Just set up?

Mr. SZABO. This Committee has just been set up and we are just now standing up the mission. We are directed to stand it up under PRIIA, the development of—you know, what is truly the big bold vision, there continues to be isolated projects——

Mr. OLVER. Yes.

Mr. SZABO [continuing]. That are eligible for funding——

Mr. OLVER. Yes, if they are ready.

Mr. SZABO [continuing]. Immediately on the Corridor. This is really that vision that truly takes the Corridor to the next level.

Mr. OLVER. Well, okay. But, are not those projects all designed and ready to go, so that if, according to Mr. Latham's idea, you could just give them the money, that they can start building at the moment.

Mr. SZABO. Not for the big bold vision. The State of Good Repair Projects——

Mr. OLVER. Ah, okay.

Mr. SZABO [continuing]. Definitely.

Mr. OLVER. The State of Good Repair.

Mr. SZABO. The big bold vision, no.

Mr. OLVER. Well, we have been getting a lot of stuff out of the FTA, as Mr. Rogoff points out, and maybe particularly—well, certainly on the bus transit issues and State of Good Repair. But also in the rail modernization, the 5309 funds, those get out there and that was what drove the House to put a sizable amount of money into the rail modernization issue, into the 5309 issue, in the job bill, which we passed back in December. The time begins to flow, which is also in the black hole on the other side of the Capitol. So, we have lots of opportunities here for the use, good use of monies, if we have the monies.

Mr. ROGOFF. And I would just chime in. Rail modernization funding is a great stimulus program because it is one of the best opportunities to get money in the ground quickly. It generally does not require complex environmental work, does not require extensive design, and it puts a lot of people to work. I am not going to comment about the black hole on the other side of the Capitol.

Mr. OLVER. The State of Good Repair rarely requires—it may become an emergency, in which case you absolutely put aside all environmental concerns. But, usually, because it is all on the right-of-way that is already in use for the State of Good Repair, go ahead with it. That is what we did it that way for.

Anyway, I thank you very, very much. This has been a good discussion. I wish there was a lot more members that were here today to take part of it. They would get their answers along with the four of us who were here for the event. Thank you and we will have further discussions.

Federal Railroad Administration
Hearing: Intercity and Commuter Passenger Rail: Moving People Safely and Efficiently
FY2011 Budget Requests for FTA, FRA and Amtrak
March 23, 2010

Questions for the Record
Representative David E. Price
Subcommittee on Transportation, Housing and Urban Development
House Committee on Appropriations

HIGH-SPEED INTERCITY PASSENGER RAIL PROGRAM

QUESTION: As you know, the FY11 request for high-speed rail builds upon the funding Congress provided in the Recovery Act and underscores the Administration's commitment to developing additional high-speed rail corridors. Although my home state of North Carolina has been working on this issue for 20 years, many states have not, and they need to undertake corridor planning before they can initiate capital projects. *Will planning be an eligible use of FY11 high-speed rail funds, or does the Administration have any plans to offer states this kind of seed money for rail development? Are there other initiatives the FRA will develop to incentivize this state-level work?*

RESPONSE: FRA concurs that there is a legitimate need for planning resources, which is why the budget proposes that $50 million be available for planning grants under the High-Speed Intercity Passenger Rail (HSIPR) Program in both FY 2010 and FY 2011. We are grateful that the Committees provided the requested $50 million in planning funds in FY 2010 and have recently posted on the HSIPR Planning Grant solicitation on *Grants.gov*. The deadline for applications for these planning resources is May 19, 2010. FRA anticipates announcing these awards by the close of the calendar year.

QUESTION: The Administration has requested 62 additional FTEs for the FRA. *How many of these new positions would be dedicated to the High Speed and Intercity Passenger Rail Program? Will it be a sufficient level to implement agreements with States and provide effective, on-site project oversight?*

RESPONSE: Of the 62 new positions requested in the FY 2011 President's Budget, a total of 25 positions are for the Office of Railroad Policy and Development (RPD). Within this total, 17 positions are for the direct support of RPD's Passenger and Rail Division, which manages and oversees the HSIPR grant program, 3 positions will support RPD's expanding high-speed rail research and development activities, and 5 positions are for are for the new Railroad Policy Division. These new positions will greatly enhance RPD's capacity to more effectively and efficiently manage a host of programmatic and grant-specific activities.

QUESTION: Before the advent of the Recovery Act, many State Departments of Transportation completed many rail projects through their FHWA Division Offices. I know that in the past, USDOT has used personnel from multiple modes to review project applications. *Do you plan on using the staff resource in the FHWA field offices to provide for day-to-day project oversight of rail projects?*

RESPONSE: Since enactment of the Recovery Act, FRA has leveraged many best practices and lessons learned from other DOT Modal Administrations, including FHWA. In fact, FHWA has been generous in providing FRA access to its subject-matter expertise. With regard to post award grant/project management, oversight, and monitoring, FRA is actively considering how to appropriately and effectively leverage DOT's far reaching regional structure, staff, and resources to assist in these essential activities.

QUESTION: North Carolina has operated under the FRA-certified State Safety Program since 1979. States coordinate their work closely with the FRA, and the state employees conduct inspections, essentially acting as extensions of the FRA safety inspectors. Although the Rail Safety Act allows FRA to support up to 50% of the costs of the state employees' industry inspections, FRA has not done so since the early years of the program. In contrast, the Gas Pipeline Safety, Motor Carriers, and Federal Transit Administration all contribute state-federal program costs or make safety inspections an eligible cost under administrative grants. *Does your proposed budget make use of the agency's authority to support a state's administrative costs for this program? Why or why not?*

RESPONSE: There is no doubt that State Safety Programs are a tremendous asset to FRA in meeting national rail safety goals.

On October 16, 1970, Congress enacted the Federal Railroad Safety Act of 1970, which gave the Secretary of Transportation the authority to prescribe, as necessary, appropriate rules, regulations, orders, and standards for all areas of railroad safety. In order to establish nationally uniform railroad regulations, the statute envisioned that the Federal Government would be responsible for the development and primary enforcement of railroad safety regulations.

States were given the opportunity to participate with the Federal Government in investigative and surveillance activities relating to any safety rules issued under the statute. A grants program for State rail safety programs was implemented as a vehicle to achieve uniform rail safety regulations, and encouraged State participation in rail safety enforcement. These grants reimbursed participating States up to 50 percent of their operating costs. The program was funded through FY 1988, which was when uniform rail safety regulation was achieved. It is important to note that, despite the termination of this grant program, State Safety Program staffing steadily increased from 110 inspectors in 1988 to 170 inspectors in 2010.

Though operating grants are no longer funded, States continue to receive considerable financial support from FRA. For example, during FY 2009, FRA provided States $400,000 to fund a portion of their training costs. FRA also ensures State inspectors are adequately outfitted with equipment and tools necessary to execute their mission efficiently. States also benefit from less-quantifiable benefits such as: (1) on-the-job training for State Inspectors and (2) discipline-specific technical assistance and support provided by FRA trainers, discipline specialists, headquarters staff, and inspectors.

FRA's support of State inspection programs is not structured like State programs for other DOT Modal Administrations. For example, PHMSA, FTA, and FMCSA regulatory programs are primarily staffed by State inspectors and the Federal agencies serve in an oversight capacity. Conversely, by Federal law, FRA is mandated to assume primary responsibility for rail safety regulation while offering States the option of adding additional inspectors to support Federal enforcement efforts. FRA does not reduce its inspection efforts in states that employ State rail safety inspectors. As a result, those states that employ rail safety inspectors receive a net gain in rail safety inspections. The benefit of adding inspectors is the correction of more safety defects, better response to public complaints and railroad accidents, and development of State expertise to directly address rail safety issues with railroad operating and maintenance personnel.

Questions for the Record
Representative Lucille Roybal-Allard
Subcommittee on Transportation, Housing and Urban Development
House Committee on Appropriations

To help prevent collisions between passenger and freight trains such as the tragic accident in Chatsworth, California that killed 23 people, Congress mandated the installation of Positive Train Control by 2015 and the fiscal year 2010 Omnibus Appropriations Bill appropriated funds for this important initiative.

QUESTION: Commuter rail operators have estimated the costs of implementation of Positive Train Control (PTC) to exceed $2 billion. What is the FRA's own best estimate for the cost of implementing the PTC mandate on commuter and intercity rail providers?

RESPONSE: FRA estimates that it will cost intercity and passenger railroads $875 million. Of this amount, $797 million is estimated to be incurred by commuter railroads (versus $2 billion as mentioned in the above question). These costs will be for the initial acquisition and installation of on-board, wayside, and central office equipment sufficient to meet the PTC mandate. [*NOTE: This estimate does not reflect the wayside costs for Class I railroad lines that host passenger train operations and that will require PTC systems based on the freight operations of those lines. Unfortunately, FRA is unable to accurately estimate or predict what share of those costs may be passed on to passenger railroads.*] FRA is aware that actual outlays by commuter and intercity railroads may exceed these estimates due to the need to renew existing signal and central office infrastructure as PTC is put in place, thereby achieving efficiencies in the long-term. The additional expenditures will remedy deferred maintenance and anticipate future requirements.

QUESTION: Given the facts that the Rail Safety Improvement Act has a strict mandate that rail carriers implement PTC, the fact that the law authorized a program of grants, and your own estimate of the cost to achieve this goal, why did the Administration not include a dedicated funding source for PTC in its 2011 budget rather than merely making PTC one of several eligible programs in a proposed Railroad Safety account budgeted at $50 million?

RESPONSE: In FY 2010, the authorized amount of $50 million was appropriated to FRA for the Railroad Safety Technology (PTC) grant program. FRA acted swiftly to develop necessary administrative and program requirements for these funds, and on March 29, 2010, FRA officially announced the funding opportunity on *Grants.gov*. The deadline for PTC grant applications was July 1, 2010. FRA anticipates reviewing applications and making awards by the end of the FY 2010.

FRA plans to focus its FY 2010 resources to fund projects that have a multiplier effect--projects that help advance systemic issues (i.e., interoperability), which will have a broader industry impact, versus partial funding for site-specific system implementation. Additionally, there are a number of Federal programs available that railroads can access to finance investments like PTC. They include the Railroad Refinancing Investment Fund (RRIF) loan program, the DOT TIGER grant program, and the proposed National Infrastructure and Investment Fund (I-Fund).

QUESTION: Since the Administration did not request dedicated funding for positive train control, what is the Administration's position on PTC being an eligible expense for a Railroad Rehabilitation and Improvement Financing loan (RRIF)?

RESPONSE: The costs associated with PTC implementation are eligible expenses for a loan under FRA's RRIF program. The Administration is supportive of efforts to use RRIF for matters that improve rail safety across the Nation.

2. Mr. Boardman, AMTRAK:

a. Do you expect that the Class I freight railroad operators will pass along PTC costs to their tenants such as Amtrak and other rail passenger systems?

Response: PTC is a federal mandate imposed on the operators of certain rail lines. Although Amtrak and other rail passenger tenants are not directly required by the statute or FRA's PTC Rule to fund PTC on host railroads, it may be appropriate for Amtrak to contribute to the cost of PTC in situations where it is required to be installed solely because of Amtrak's presence. Amtrak plans to review the individual circumstances on each rail line, and approach Congress to provide funding to Amtrak to pay for PTC on any routes where we feel an Amtrak contribution is appropriate.

b. Given the funding and technical challenges associated with the PTC mandate, do you believe that affected rail carriers across the nation can meet the 2015 deadline?

Response: Amtrak and most of the commuters will meet the deadline provided funding is available. Amtrak will complete the Northeast Corridor (NEC) by the end of 2012. The Class I railroads are making slow progress addressing the interoperability issues and it is unlikely that they will fully meet the 2015 deadline. Amtrak has two PTC systems, known as ACSES in the NEC and ITCS on the line we own in Michigan. These systems took years to develop and implement. The interoperability issues were small since these systems were only applied to Amtrak territory. As the Class I railroads start to implement PTC, there will be problems and it will take time to solve them. It is highly unlikely that there will be a nationwide interoperable system by 2015.

c. In your opinion, do you think the mandate can be met without Federal assistance?

Response: Freight railroads have taken the position that they can fund PTC but doing so will require reductions in other capital expenditures. Some railroads have indicated that they plan to increase charges to their freight customers in order to cover PTC costs. With respect to Amtrak, we require federal appropriations to complete the PTC systems on Amtrak-owned lines and to install PTC hardware on our locomotives. If Amtrak were to contribute toward installing PTC on certain host railroad lines, those funds will also have to be provided from federal sources.

THURSDAY, MARCH 25, 2010.

HIGHWAY SAFETY—THE FY 2011 BUDGET REQUEST FOR THE NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

WITNESS

DAVID L. STRICKLAND, ADMINISTRATOR OF THE NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

CHAIRMAN OLVER'S OPENING REMARKS

Mr. OLVER. The subcommittee will come to order.

I want to welcome the administrator of the National Highway Traffic Safety Administration, David Strickland to the subcommittee.

Mr. Strickland, you have been on the job for slightly less than three months. By all accounts, three eventful months. I thank you for coming before this subcommittee today with NHTSA's 2011 Year budget request. Your budget is small enough that I think I can understand it.

At its core, NHTSA is tasked with improving the safety of passenger travel on our highway system and has played a significant role in the steady reduction of fatalities per vehicle mile traveled. It is estimated that fatalities in 2009 dropped to under 34,000, the lowest on record since 1954. However, as the economy recovers and people begin to travel again, NHTSA will need to remain focused on continued safety improvements across our transportation network.

The 2011 budget proposal before us today requests a total of $877 million for the programs within NHTSA. In particular, I am interested in the $50 million proposal for a new Distracted Driver Initiative. The explosion of wireless devices and in-vehicle entertainment systems presents significant safety concerns offering multiple opportunities to distract drivers' attention from the road. I am interested to hear how this initiative will use learned lessons from past campaigns to change driver behavior.

In addition, I look forward to discussing the Agency's request for 33 additional FTEs. The recent investigation into Toyota and NHTSA's response to safety complaints have raised questions about the Agency's technical capacity to critically assess the advanced electronic components within modern vehicles. In light of these investigations, I am interested in better understanding how the requested FTEs are proposed to be allocated and how many are slated to expand vehicle safety oversight activities.

Administrator Strickland, by its nature NHTSA has the unfortunate burden of making news only when mistakes are made and tragedy occurs. Moving forward this subcommittee is committed to working with you to strengthen the Agency's oversight capabilities and ensure that every effort is made to achieve optimal safety on the highways and roads.

Before we hear from you I would like to recognize our Ranking Member for any remarks that he wishes to make.

RANKING MEMBER LATHAM'S OPENING REMARKS

Mr. LATHAM. Thank you very much, Mr. Chairman, and welcome, Administrator Strickland, here. I just personally thank you for coming by and having a chance to visit. I appreciate that very, very much. It is very, very helpful.

Looking across the entire jurisdiction of this subcommittee, NHTSA really stands out as one of the most important modal administrations within the Department, and while the key statistical measurements for fatalities are going in the right direction—for instance, traffic fatalities down 8.9 percent in 2008—the fact that still 33,963 fatalities occurred in 2009 shows there is still a lot of work to be done——

Mr. STRICKLAND. Yes, sir.

Mr. LATHAM [continuing]. And we can not let up at all on safety. Much has been said about NHTSA and the way it conducts investigations and recalls over the past couple months. Many Members on both sides of the aisle have criticized the Department and NHTSA over staffing, funding levels and oversight.

Like many of the challenges that we face here in the federal government, simply throwing more money towards the problem and crossing your fingers and hoping for the best is not the answer. The challenges facing NHTSA are complex and multifaceted, and I look forward to the opportunity to delve into those issues during our questioning and answer here today, so welcome.

Mr. STRICKLAND. Yes, sir.

Mr. LATHAM. And I yield back, Mr. Chairman.

Mr. OLVER. Thank you. Administrator Strickland, the floor is yours. Your complete written statement will be included in the record. If you could keep your oral comments to somewhere in the five, six minutes that would be fine.

MR. STRICKLAND'S OPENING REMARKS

Mr. STRICKLAND. I will be happy to do that, Mr. Chairman. Thank you so much for your kind invitation to present the 2011 budget for NHTSA.

Chairman Olver, Ranking Member Latham and distinguished Members of the subcommittee, I thank you for this opportunity to appear before you today to discuss the President's fiscal year 2011 budget request of $877.6 million for the Department of Transportation's National Highway Traffic Safety Administration.

Transportation safety is the Department's highest priority. NHTSA's safety programs are an integral part of addressing those priorities. NHTSA's programs work and they work well. Three weeks ago the Secretary released numbers that show a continuing dramatic reduction in overall number of highway deaths. Our analysis projects that traffic fatalities have declined for the fifteenth consecutive quarter and will be 33,963 in 2009, the lowest annual level since 1954.

In terms of lives lost per 100 million vehicle miles traveled, the number of deaths dropped to 1.16, again the lowest level on record. This was almost a 9 percent drop in fatalities in one year, and this followed a 10 percent drop the year before.

Your ongoing support of this Agency and its important safety mission over the years is paying off for the American public. I want to thank you, Mr. Chairman and Ranking Member and Members of this committee, for your unwavering support of NHTSA's budget request made over the years.

Are we winning the battle in terms of highway traffic fatalities? Not yet. The loss of more than 33,000 people in traffic-related crashes in a single year represents a serious public health problem to our nation. We will not rest until that number is zero. We cannot and will not relent in any one area, and we must remain flexible and capable of rising quickly to meet new challenges.

In short, we must do more, so once again we ask for your support. The fiscal year 2011 budget proposed by the President is a good budget that allows us to continue moving forward in our mission in a responsible and thoughtful manner. The request before you adds 66 more employees to NHTSA. We will target these positions to meet our program needs.

Mr. Chairman, our budget does not sacrifice safety in any manner and fully continues the programs and activities that have been responsible for the remarkable reductions in fatalities over the past few years that I referenced. Because of funding anomalies during the past few years, it may appear that we are cutting spending in some areas and increasing it in others. We are allocating and tracking that money carefully and wisely in order to maintain our program flexibility and effectiveness.

That flexibility is part and parcel of this Agency's success. We are delivering on our mission. For example, we are working with the Environmental Protection Agency, and we will deliver on President Obama's call for a strong and coordinated national policy for fuel economy and greenhouse gas emission standards for motor vehicles, and we will do so in a way that does not compromise safety. We expect to issue the final rule on CAFE on April 1.

We are also on track to rule on our enhanced five star safety rating system for model year 2011 vehicles. For the new ratings, we made changes to the existing front and side crash rating programs. We also added a family of crash test dummies and a side impact pole test to increase occupant safety.

We established an overall safety score that will combine the star ratings from the front, side and rollover programs. Finally, the Agency also implemented a program that we hope will encourage the demand for and the advance and the use of advanced crash avoidance technologies.

Another programmatic success is our early fatality analysis reporting system, FastFARS, which is a relatively new program that this subcommittee provided the funds to initiate. FastFARS allows us to make fatality projections much earlier and more accurately, which aids us in reacting to trends.

During my tenure I want to work with the Secretary and the Congress to strengthen and improve NHTSA so that it can continue to achieve its mission in saving lives, preventing injuries and reducing economic costs due to road traffic crashes.

We will remain accountable to the President, the Congress, the Secretary of Transportation and the American public whom we all proudly serve. Thank you. I look forward to answering your questions.

[The information follows:]

Statement of
David L. Strickland
Administrator of the National Highway Traffic Safety Administration
Before the Appropriations Subcommittee on
Transportation, Housing and Urban Development, and Related Agencies
March 25, 2010

Good morning Chairman Olver, Ranking Member Latham, and distinguished members of the Subcommittee. My name is David Strickland, and it gives me great pleasure to appear before you today for the first time as Administrator of the National Highway Traffic Safety Administration (NHTSA), to discuss the President's FY 2011 budget request of $877.6 million. This request compares to the appropriation provided to NHTSA this year of $872.8 million, or $4.8 million more, a one-half percent increase.

I want to first state unequivocally that safety is the Department's number one priority and the number one priority of NHTSA. We are extremely proud of the programs that we administer across a broad spectrum of the safety matrix, and we believe they are making a difference in saving lives and reducing injuries to the American public. Two weeks ago, Secretary La Hood announced our preliminary estimates of fatalities for calendar year 2009. These show that traffic fatalities for 2009 dropped considerably to under 34,000, the lowest level since 1954. Also, the fatality rate expressed in terms of lives lost per 100 million vehicle miles traveled dropped to 1.16, again the lowest level on record. This was almost a 9 percent drop in fatalities in one year, and this followed a 10 percent drop the year before. While we cannot predict similar results in future years due to changing economic and demographic trends, we remain very encouraged by these outcomes and firmly believe they are reflective of the hard work of the Department of Transportation and NHTSA employees in cooperation with our State and local partners, and cooperation of the motor vehicle industry. The relatively small investment of the Federal budget in NHTSA's programs and personnel clearly shows positive and quantifiable performance results that make a difference in America's communities.

The Secretary and I have received many questions recently regarding the level and adequacy of resources provided to NHTSA to meet our safety mandates, especially in the area of defect investigation. I want to thank you, Mr. Chairman and members of this Subcommittee, for your strong support of NHTSA budget requests made over the years. The FY 2011 request before you includes the proposed addition of 66 more Federal staff. If this request is funded, based on what we know today, it will be adequate to allow us to continue to do our job in a responsible and thoughtful manner.

NHTSA's Behavioral, Grant, National Driver Register and Data programs and activities are all authorized under SAFETEA-LU which expired on September 30, 2009. This authorization has been temporarily extended through the end of this year, but in the absence of a permanent and long-term authorization, our request for program funding reflects essentially FY 2009 authorized levels. The principal exception to this in our request is a proposal to use $50 million of the Section 406 Seat Belt Incentive Grant funds for a new Distracted Driving Incentive Grant program. This is a high priority of Secretary LaHood, and a program such as this would go a long way toward addressing the estimated 6,000 annual deaths attributed to distraction.

Turning to our vehicle Safety programs, our request includes an increase for the New Car Assessment Program (NCAP) to allow us to more fully implement the new protocols that we will be introducing starting with the testing of the Model Year (MY) 2011 vehicles this summer. Additionally, we request sufficient funding to continue our activities related to the Corporate Average Fuel Economy (CAFE) rulemaking, advanced safety research, and the full breath of our enforcement activities, including the defects investigations. The program increases in this account are fully offset by adjustments we propose to prior year funding levels where we received marked increases that are not required in FY 2011 and some realignments of administrative and program funds to other NHTSA accounts. That is why the request for this account appears lower than the FY 2010 appropriation and could be misinterpreted as a reduction to our vehicle Safety program agenda. I want to be clear; our budget does not sacrifice safety in any manner, and fully continues the programs and activities that have been responsible for the significant reductions in fatalities achieved over the past few years that I just referenced.

NHTSA Overview:

Within the Department of Transportation, NHTSA has the principal responsibility for promulgating regulations and administering programs in conjunction with the safety groups, States and other partners to reduce fatalities and injuries due to crashes on our nation's highways. This responsibility covers all aspects of highway driving, including passenger cars, trucks, buses, and motorcycles, as well as pedestrians and bicyclists.

NHTSA's principal focus of attention continues to be on the tried and true safety countermeasures of appropriate use of restraints in all vehicles and for all occupants, helmet usage, licensing and training for motorcyclists, graduated driver licensing for our young drivers, efforts to combat impaired driving, and avoiding driver distractions. We also continue to see the need to explore and research the safety benefits of emerging vehicle technologies that will serve to avoid crashes in the first place, such as lane departure warning and active brake assist systems.

We also invest a sizeable level of time and resources on the areas of fuel economy and alternative fuel research to do our part to reduce the nation's energy dependence on oil and to reduce the harmful environmental impacts of vehicles. The level of effort and coordination with the Environmental Protection Agency (EPA) on our upcoming CAFE rule is unprecedented and will continue with related joint rulemakings to address the twin goals of improving fuel economy and reducing greenhouse gases.

Finally, NHTSA prides itself on the extensive use of data and sound science to manage our priorities and performance. The various data collection and analysis tools in the National Center for Statistics and Analysis (NCSA), such as the Fatality Analysis and Reporting System (FARS), as well as our Early Warning Reporting (EWR) and Safety

Defects Investigation Program allow us to keep our finger on the pulse of roadway safety. In this latter area, we traditionally receive around 30,000 vehicle complaints each year, and we carefully review each one of these looking for any trend that evidences safety has been compromised. In just the past 3 years, this effort has resulted in over 500 voluntary recalls affecting about 24 million vehicles across most manufacturers, both foreign and domestic. NHTSA has the most active defects investigation program in the world, with a record of influencing 2,800 recalls on 278 million vehicles since we first started doing this. Data collection and analysis is also the backbone of the Agency's highway safety grant programs with States, directing scarce resources to address the most pressing safety problems.

FY 2011 Budget Summary:

NHTSA requests $877.6 million for our planned programs and activities for FY 2011. This represents a $4.8 million increase, or one-half of one percent above this year's funding level. With this level of funding we will implement an aggressive plan to continue the important safety programs and activities that have historically proven to reduce traffic injuries and fatalities. The notable changes in our request compared to current year appropriated levels involve the following areas:

- $1.65 million increase to the NCAP program for a total of $12 million. The new safety protocols being introduced for testing starting this year will make it more challenging for vehicle manufacturers to achieve a high safety rating. Also, due to this new testing methodology, we will be unable to bring forward vehicle safety ratings from prior model years, and instead must test all new cars starting with MY 2011. At this increased level of funding, NHTSA plans to test about 72 percent of the fleet and provide these results to consumers to inform their future buying decisions.

- $50 million of the $124.5 million provided for the Section 406 Seat Belt Incentive Grant Program is designated for a new Distracted Driving Incentive Grant Program to provide incentive to States to enact and enforce distracted driving laws. In support of this effort, NHTSA and a cross-section of partners also recently developed a sample distracted driving law that could be used by States and localities as they legislate on distraction.

- $4.5 million to increase NHTSA's staffing level from 632 positions (617 funded FTEs) in FY 2010 to 698 positions (650 funded FTEs) in FY 2011. The additional 66 positions (33 FTEs) will be strategically used by NHTSA to address high priority safety areas, including defect investigations, research, and rulemaking, as well as to support the behavioral safety and State grant oversight responsibilities of the Agency.

- $1.2 million increase in funding for a total of $29.7 million to support NHTSA's data collection and analysis activities administered through the National Center for Statistics and Analysis (NCSA). This increase is needed to maintain consistency in the number of cases we are able to collect and review annually, strengthening the statistical reliability of the analysis.

In total, as mentioned, NHTSA requests a FY 2011 budget that is $4.8 million above the FY 2010 enacted level. The above increases, and a few smaller inflationary increases in areas such as the National Emergency Medical Services Information System (NEMSIS) and Odometer Fraud, are partially offset by reductions proposed in four main areas:

- We request $7.9 million in support of the CAFE Program activities, a reduction of $1 million from the FY 2010 enacted level. These efforts will continue uninterrupted with the funding level requested.

- We request $1 million for Alternative Fuel Research, a reduction of $3.5 million from the FY 2010 enacted level. The activities and initiatives that are getting underway in FY 2010 will carry over into FY 2011.

- We request $1 million for the American Coalition for Traffic Safety (ACTS) cooperative agreement, a reduction of $250,000 from the FY 2010 enacted level, to fund research related to advanced technologies for alcohol interlock devices. The agreement calls for NHTSA to contribute $1 million annually which we will honor with our request.

- Finally, we request $6.7 million for the National Driver Register (NDR) Program; a reduction of $650,000 from the FY 2010 enacted level. The system development efforts will be mostly completed during 2010, with the new system tested and deployed during 2011, allowing for a reduced level of funding in FY 2011.

Highlights of NHTSA's requested funding of $877.6 million for FY 2011 in each account are as follows:

Highway Safety Grants:

We request $620.7 million from the Highway Trust Fund (HTF) for NHTSA's seven grant programs, three annual High Visibility Enforcement (HVE) campaigns, and agency administrative expenses. This request is $1.2 million more than this year's appropriation and will fund the Section 402, 405, 406, 408, 410, 2010, 2011, and HVE programs at the FY 2009 SAFETEA-LU authorized levels totaling $601 million. The balance of $19.7 million is for administrative costs, and includes funds for 4.5 additional FTEs (9 positions) to support the grant programs that were substantially expanded under SAFETEA-LU starting in FY 2006. This increase also includes a small inflationary increase to cover the President's proposed pay raise of 1.4 percent for all General Service employees. As mentioned above, this request also includes a new Distracted Driving Incentive Grant program of $50 million to be funded from the Section 406 Seat belt Incentive Grant Program funding line.

Highway Safety Research and Development:

We request $117.4 million from the HTF for NHTSA's Highway Safety Research and Development activities. This request is $11.9 million more than this year's appropriation and will fund the Agency's behavioral safety programs, such as impaired driving, occupant protection, distracted driving, older drivers, youth, and pedestrians, as well as the data collection and analysis activities of the NCSA. Of the $11.9 million increase requested for this account, $7.5 million reflects a realignment of administrative expenses between these accounts; $1.6 million reflects a realignment of program expenses for FARS/Fast FARS and NASS from the Vehicle Safety Research account to this account; $1.3 million is a true increase to cover the FY 2011 pay raise of 1.4 percent and a requested increase of 6 FTE (11 FTPs); $1.2 million is for increased funding to the NCSA data collection and analysis activities, e.g. FARS, National Automotive Sampling System (NASS); and the balance of $239,000 is a "net" increase for inflation to several behavioral programs and activities, e.g. NEMSIS.

Vehicle Safety Programs:

We request $132.8 million in General Funds for the Vehicle Safety Programs programs and activities. This request is $7.6 million less than this year's appropriated level. This level of funding is sufficient to allow us to support all programs and activities funded under this account, including the rulemaking activities related to CAFE, new vehicle testing under NCAP, research for enhanced technologies as well as alternative fuels, and enforcement activities, including defects investigations, regulatory compliance and odometer fraud.

This decreased level includes $7.2 million in indirect administrative costs that are proposed to be realigned to other accounts in FY 2011. We have also requested a realignment of $1.6 million in funding for FARS/Fast FARS and NASS to the Highway Safety Research and Development account. Additionally, we have requested a reduced funding level for CAFE ($1 million lower than the FY 2010 enacted level) and a reduced level of funding for alternative fuels research ($3.5 million lower than the FY 2010 enacted level). Offsetting these decreases to this account, we have requested an increase of $1.65 million to the NCAP program for testing of new cars to reach a level of 72 percent. We have also requested increased funding of $4.0 million for the FY 2011 general pay raise of 1.4 percent and to support a request for 23 more FTEs (46 FTPs).

National Driver Register:

We request $6.7 million, in FY 2011; $4.2 million from the HTF and $2.5 million in General Funds, which is $650,000 less than this year's appropriated level for the National Driver Register program. In FY 2010, the Congress provided NHTSA an additional $3.35 million from General Funds for the modernization of the current Problem Driver Pointer System (PDPS). This initiative will be mostly completed in 2010, with testing and implementation occurring in 2011. Due to the completion of this project in FY 2011, we require $650,000 less in funding than we needed in FY 2010. Next year there will be an approximate 6-month overlap of the operation of the older PDPS and the new PDPS to ensure that the new system operates efficiently and effectively. As soon as this is assured, the older PDPS will be retired and we will resume normal annual operational support activities. This request also includes a small inflationary increase to cover the President's proposed pay raise of 1.4 percent for all General Service employees.

Mr. Chairman and members of the Subcommittee, this concludes my testimony supporting NHTSA's request of $877.6 million for FY 2011. I'd be pleased to answer any questions you may have for me.

Mr. OLVER. That was wonderfully done within the right time. We will be fairly flexible about time here. Though I think I am going to try and be a good boy and stick close to the five minute allowances, so we can get back and forth and hear from both sides a little bit more often.

DISTRACTED DRIVING

As we all know, Secretary LaHood has been extremely focused on the issue of distracted driving, and I would say really quite justifiably, and so not surprisingly the President's budget proposes a $50 million initiative to deal with that issue of distracted driving, which the distractions are just multiplying——

Mr. STRICKLAND. Yes, sir.

Mr. OLVER [continuing] On a daily basis almost. Now, this subcommittee took some criticism a year and a half or so ago for approving a simple $1.5 million reprogramming of money as a reduction in the Office of Safety Defects Investigation. You can see probably why we might get some criticism for that, but here we have a $50 million reduction from the account that deals with seatbelt problems and programs that develop seatbelt usage.

So first of all I would like to know how you intend to use these resources if the Congress goes ahead and provides, as has been proposed, the dollars asked for in the budget for the distracted driving program. How will you allocate those dollars, and how will those be used in dealing with that issue?

Mr. STRICKLAND. Mr. Chairman, the distracted driving grant program will be similar to what we do in impaired driving and in belts, which is to create incentives for states to pass laws to decrease the amount of distraction, whether it is a texting ban or hands free devices.

We have provided a sample law for states in order for them to follow a model which would increase safety and decrease the distraction risks on the road. So the $50 million will be a program that is patterned after the very successful programs that we have had in impaired driving and in primary belts.

Mr. OLVER. Can you give me a sense of what the experience is in the states up until now? You have already created the model law, and I read now and then something about what one state or another is doing. What is the present status? How many states are dealing with this and how comprehensively?

Mr. STRICKLAND. Well, at this point we have approximately 20 states that have passed distracted driving laws, including six states that have full bans.

We have a tremendous amount of activity at the state-level with several dozen bills that have been placed upon the states' legislative calendars. The hope is that this distracted driving grant program would be the additional incentive to get those states over the top, which is clearly what we have always done in the impaired driving and primary belt programs.

We want to try to give the states that additional incentive, and especially in this area of distraction where there is momentum. There is a lot of attention. There is a lot of activity, but there is always the issue with those that believe that is not a proper role for the states to be placing new laws upon drivers and all these issues that we have dealt with and the similar sort of push back that we faced in impaired driving and in belts.

We believe from our contact and our work in the states that this incentive will be the tipping point to move many more states into passing laws regarding texting and overall distraction.

Mr. OLVER. Okay. You have 20 states that have done something, and you said a handful—you did not use the word handful——

Mr. STRICKLAND. Multiple.

Mr. OLVER [continuing]. But several that have——

Mr. STRICKLAND. There are several states.

Mr. OLVER [continuing]. Comprehensive bans. There must be new things that have come up every day——

Mr. STRICKLAND. Yes, sir.

Mr. OLVER [continuing]. So whatever there is today, within a few months there will be something else that comes out.

Mr. STRICKLAND. There is a variety of legislative proposals. Some of them are texting bans. Some of them have age parameters. Some of them have different concepts. Our goal is to try to move all the states to the best, most protective laws possible.

Yes, you are absolutely right, Mr. Chairman. There are new threats and there are new distractions and there are technology issues every day. The goal is to try to provide a foundation of these laws for the states that is not following the tail of new technology, but creates a template so that as new threats arise, the states are better able to have programs to enforce and protect.

Mr. OLVER. Tell me how we can feel comfortable if we move that $50 million out of the seatbelt program, reducing the seatbelt program and creating this one, how we can be comfortable that we will not have left the seatbelt program short?

Mr. STRICKLAND. You can be very comfortable, Mr. Chairman. From our analysis of the primary belt program, that money is used to incentivize states to move to a front initial to a first line enforcement program.

The states that have an opportunity of passing a belt program and collecting those grant funds is nowhere near the amount allocated. We are probably expecting only two to three states to pass primary belt laws, so we may be expending approximately only $30 million or $40 million, so we would be leaving $100 million on the table that would not be utilized.

The distracted driving program, on the other hand, is an area that is an emerging risk. States are very active, and it does move the goal of safety forward. You will not be compromising the primary belt program in any way if the decision by this subcommittee is to allocate those funds in this particular way.

Mr. OLVER. All right. Thank you very much. Mr. Latham, you have at least six minutes. I believe that I have gotten both questions answered in that time.

Mr. LATHAM. You are not alone in that disbelief. All kidding aside, I want to continue on the same subject of diverting the $50 million from the seatbelt enforcement grants to this project.

There is really in your testimony and the budget there is really very scarce justification as far as what you actually are intending to do and how these incentives will force states to make the kind of changes.

Kind of getting to the Chairman's point, are you talking about just banning cell phones? Texting specifically? What about hands free devices? Are you getting down to that? What is your recommendation?

Mr. STRICKLAND. Well, the sample law is a texting ban, which we find at this point from the research is that the physical manipulation risk is the most apparent, which is where the driver is taking their eyes off the road, handling a phone, dialing, reaching.

When the eye comes off the ground line and down below the dash, that is where you really have what we believe to be the most emergent risk. We need further research in the hands free technologies, which we are currently doing, and I know that there is lots of work underway in taking a look at other types of distraction.

So the template of the model law, which is dealing with texting, we believe to be the most efficacious of safety at this point. We will be doing more research. We will be making new recommendations. As we move forward in developing the program we will definitely communicate with this committee and with the authorizing committees, as we do with the impaired driving program and the belt program, to properly align the criteria for the states to qualify for that money.

Mr. LATHAM. And I guess on the research, I mean, are you using human research or is it just all data driven? What type of research are you doing?

Mr. STRICKLAND. NHTSA has actually done a great deal of research in this area already, but there is lots of human factors research that still needs to be done.

For example, we will be undertaking a naturalistic driving study called SHRP 2 in the future. We have a distracted driving plan that is in process right now that we will be presenting to the Secretary very soon, and once that is done we will be coming and presenting to the Congress as well and talking about our research plan not only from the SHRP 2 work, but all the other research we are planning to undertake in this area.

Mr. LATHAM. States' budgets are strapped today, and maybe just as a question have they been using seatbelt enforcement grants to keep highway patrolmen on the road? Are we going to get a lot of push back from the states saying that those are dollars that we use. We are having to cut troopers as it is.

Mr. STRICKLAND. No, sir. Once they have qualified for the grant, that money is expended and given to the states so that money will not be cut.

The issue in question is whether or not there is enough money from the belt program for a state that actually passes a primary law within the time period. We will have the funds necessary. The states that are close to passing primary, the money will be available to them so we will not have an issue there.

In terms of how states utilize the funds, they are allowed to use those funds for anything related to highway traffic safety. Part of it may be used for enforcement and for high visibility checkpoints, things of that nature. They also have the flexibility to use these funds for highway traffic safety-related infrastructure changes as well. There is an opportunity to flex those funds.

But the request that is being made, the $50 million, will not impact a state directly in terms of funds that they would receive from a grant that has been actually liquidated and provided to the state.

Mr. LATHAM. Do you have a lot of push back from the states? I mean, do we have to spend $50 million? I do not know of any state that is not looking at distracted driving as far as legislation. I mean, you have a model legislation supposedly, but I always wonder about putting money into something that people would have done anyway.

Mr. STRICKLAND. From our work, we feel that there are several states that do need that additional incentive. As you know, sir——

Mr. LATHAM. Can you name them?

Mr. STRICKLAND. I can get back to you with the specific names in terms of the states that we have contacted, but speaking generally, the legislative process, as you know, is very difficult not only for the purposes of safety, and we hope the policy goal would be enough to move them.

Providing that additional grant money may be the tipping point. As opposed to a couple of states passing a law, we can maybe have 10 or 12 states passing a law, which is always the goal.

Mr. LATHAM. This is a carrot, but any conversations about withholding funds if states do not do it?

Mr. STRICKLAND. The Department of Transportation supports both sanctions and incentives. They both work. In this particular policy we believe that states would be more effectively moved by an incentive program.

However, I know there are several conversations in other pieces of legislation regarding distraction which also has possible sanctions, but we believe that the incentive program is the best way to move states in this particular time.

Mr. LATHAM. What would those sanctions be?

Mr. STRICKLAND. There is one bill I believe that is——

Mr. LATHAM. What are you recommending?

Mr. STRICKLAND. We recommend the policy as placed forward in the budget, sir, which is an incentive program. States normally do not take to sanctions very well.

Mr. LATHAM. Boy.

Mr. STRICKLAND. We believe that the incentive program, after having conversations with the states and the stakeholders, is the proper incentive to move the needle. I think at this point that the policy as presented would be the most effective.

Mr. LATHAM. Okay. I see the red light is on, Mr. Chairman. I will yield back.

Mr. OLVER. Six minutes goes quickly, does it not? Ten minutes takes longer.

Just as a finish to that before I go on, I have heard several anecdotal stories of texting.

Mr. STRICKLAND. Yes, sir.

Mr. OLVER. The most dramatic one that I have heard of is someone who was weaving, crossing lane boundaries and so forth, slowed down and was sort of weaving and then finally stopped right in the middle of the travelway——

Mr. STRICKLAND. Wow.

Mr. OLVER [continuing]. And blocked traffic while finishing the texting that was going on. You know, this is really serious stuff I think.

MOTORCYCLE SAFETY

Anyway, let me move on to talk about motorcycles. SAFETEA–LU authorized a program of incentive grants to encourage states to adopt and implement programs to reduce the number of crashes involving motorcyclists, yet despite the funding that this grant program has had, $6 million or $7 million per year since 2005, motorcycle fatalities have continued.

In fact, they have more than doubled over the last 10 years from about 2,300 in 1998 to almost 5,300 in the year 2008. I would call that a pretty dramatic rise.

Mr. STRICKLAND. Yes, sir.

Mr. OLVER. Now, is your budget proposal for this year's program for continuation of the $6 million to $7 million range? What is your proposal?

Mr. STRICKLAND. Yes, sir. It is a continuation of the SAFETEA–LU program.

Mr. OLVER. Would more money be valuable there? Why are these fatalities continuing to rise, and with that much of a rise why is that happening?

Mr. STRICKLAND. The reason why we are seeing a rise in fatalities is because there are more riders that do not wear helmets. The thing that the Department has found, that NHTSA has found, in the data is that the one thing that can most effectively move the needle in protecting motorcyclists' lives is for them to wear a helmet.

The education that is underway as part of the grant programs is important—teaching riders proper riding etiquette, trying to communicate to drivers of automobiles to be mindful of riders on the road—but the core is trying to get riders to wear helmets, and that has been a long on-going issue for NHTSA and the Congress for some time.

In fact, NHTSA is limited in how we can even communicate with states across the entire spectrum of our programs because of the efforts several years ago in trying to incentivize helmet programs for the states. So the reason the numbers are moving up is because we have fewer riders wearing helmets, and the only way we are going to get those numbers moved down is to try to find a way to get those folks to wear helmets.

Mr. OLVER. All right. Now, with what my Ranking Member said here earlier, states clearly do not like penalties, but maybe this is a place where there needs to be some penalty. I am not sure exactly how one applies it to the states if people are not wearing the helmets—but obviously something else is needed. Something new is needed here.

I do not know whether it is going to cost more money or not, but do you have any idea how you are going to have the impact that is clearly necessary?

Mr. STRICKLAND. We are underway in trying to find new strategies to communicate with the states in finding new ways to get riders to wear helmets. We will be happy to discuss those plans in more detail as we finalize them.

Anything that the Congress does that would support the movement of riders into helmets would be efficacious of safety. We would be happy to discuss with you, Mr. Chairman and the Members of this committee, ways that we can help move riders into a safer posture.

Mr. OLVER. What the committee has done in the recent past, in the last couple of years, is we have kept an administrative provision in the Appropriations Act that gave the Secretary or his designee authority to work with states to consider proposals, to work with, cooperate with, collaborate with something on proposals that relate to the reduction of motorcycle fatalities.

We have continued that language, and you propose continuing it. You have not suggested taking it out or anything, but we are obviously not having much success with it.

Mr. STRICKLAND. There is more to do, sir. I agree with Mr. Chairman. We have to do more. The long term question, and it is not only the trying to get riders to wear helmets. NHTSA is in an ongoing dialogue with states that are actually trying to—the states that have mandatory helmet laws. We have lost some of those states. They have actually rescinded those laws in some areas.

So in a lot of places, sir, frankly we are going backwards, and we need to redouble our efforts in this area in order to try to reverse this trend in motorcycle fatalities.

Mr. OLVER. Well, it is a safety statistic that is alarming, actually.

Mr. STRICKLAND. Yes, sir, it is.

Mr. OLVER. Thank you. Mr. Latham.

VEHICLE SAFETY

Mr. LATHAM. Okay. In your budget you are talking about vehicle safety and the complaints that you get. You think about Toyota and all that. How many people do you have actually screening those?

I know last year you averaged about 3,100 complaints per month. I think just since February you have already had over 15,000, so the workload has gone way up obviously.

Mr. STRICKLAND. Yes, sir, it has. We still have the same number of screeners. We aim to try and get all complaints reviewed within one business day. That has taken a little bit longer now. Our folks are very adept at the work that they do and they are working very quickly.

Mr. LATHAM. How many do you have? It is like 15, is it not, that do the screening?

Mr. STRICKLAND. Yes, sir.

Mr. LATHAM. And then they make recommendations to the 22 investigators?

Mr. STRICKLAND. That is correct.

Mr. LATHAM. With that many complaints, that really——

Mr. STRICKLAND. They are very efficient at their job. It is one of recognizing trends and sort of knowing what to look for. They are very good at what they do, very efficient, and have been very effective in processing those 30,000 complaints a year.

Yes, because of the attention that Toyota has created we have gotten more consumer complaints. The staff is working diligently, and, yes, their workload has increased, but they are managing it.

Mr. LATHAM. The complaints, and we have so much information or publicity obviously with the Toyota situation, but the complaints that you were getting before. Just as far as the acceleration and the electrical system issues and all that, was that just Toyota? Were there other cars that were getting complaints on the same thing?

Mr. STRICKLAND. Sudden acceleration is an issue that is across the fleet in terms of complaints. We take each of those complaints very seriously and we look at those investigations individually.

Toyota, in terms of the overall complaints since 2000 was probably in the mid range of total number of complaints in terms of sudden, unintended acceleration. Ford was I think the one with the most complaints during that time period.

So those complaints affect the entire fleet, and we look at each of those complaints seriously with regard to which manufacturer actually has the complaint lodged against it.

Mr. LATHAM. I am sure there has been some criticism that you did not catch this earlier, but, as the numbers would say, there was no reason that Toyota stood out from everybody else?

Mr. STRICKLAND. NHTSA is a data analysis agency. We look for the——

Mr. LATHAM. I thought you were a safety agency.

Mr. STRICKLAND. Well, we are a safety agency that finds our work through data.

Mr. LATHAM. Okay.

Mr. STRICKLAND. Folks tend to think that we go out and we look at every car in America that has a complaint. That is not true. What we do is we look for anomalies in the safety data, and when we find those anomalies we then take further action.

From the work on Toyota and any other manufacturer, when we find those anomalies that create an unreasonable risk to safety we have acted and took action.

Mr. LATHAM. Okay. So what kind of staffing model do you have as far as your request, because I am very concerned about being able to do this job the way it should be and maybe something could have been caught earlier. I do not know. Probably not if they did not stand out as far as the complaints.

Do you need people with expertise today with electronics that you do not have on staff? I mean, are you contracting that part of it out or what?

Mr. STRICKLAND. A couple of answers to that, Ranking Member Latham. NHTSA had the proper experience on board to deal with these issues. Our electrical engineers, our folks out in East Liberty, Ohio, are fantastic automotive engineers and electrical engineers to deal with these issues.

Can we be stronger in this area? Of course. NHTSA can always be stronger, and the President's request asks for 66 new employees and so we will be allocating them across NHTSA to move the safety mission, which includes more resources and more folks in the Office of Defects Investigation. We are in the process of hiring an additional electrical engineer, and we are reviewing our work, our load, and our expertise to try to find the best way to buttress our experience.

In addition, we will be undertaking a comprehensive study of electronic throttle control systems and electromagnetic interference where we will be not only leveraging our own internal expertise, but bringing in outside experts and independent experts to take a look at not only Toyota, but systems throughout the fleet and our process in looking at them.

Mr. LATHAM. Okay. Thank you, Mr. Chairman.

Mr. OLVER. Mr. LaTourette.

Mr. LATOURETTE. Thank you very much, Mr. Chairman. Welcome, Mr. Administrator. It is good to see you.

Mr. LATHAM. Thank you, sir.

Mr. LATOURETTE. Before I talk to you about NHTSA, I want to, Mr. Chairman, sort of rise to a point of personal privilege.

We had a hearing and we had a whole array of Administration folks here talking about a variety of subjects. An article appeared on March 17 in something called the Courthouse News Service, which I was not aware existed until this article came to my attention. The article is written by a fellow by the name of Nick Wilson. I just want to read the first paragraph and see if it comports with other Members' recollection of the hearing.

BIKE LANES

The heading is Republicans Ridicule Bike Lanes, and it says: Republicans heaped ridicule on Transportation Secretary Ray LaHood at a Wednesday hearing after LaHood suggested that bicycling and walking are just as good ways to get around as cars. To laughter, Republican House Members suggested LaHood was taking drugs, dismissed the very idea of bike lanes and derided any change to a car dependent society.

That does not comport with my recollection of what I said. I think it is scurrilous, to tell you the truth. Just so the record is clear, I have used every highway bill since I have gotten here to fund bike lanes, love bike lanes, love people to ride bicycles. My objection was the Secretary's apparent observation that half the highway trust fund should be utilized for that type of transportation and half for cars and other things.

I do not know anybody that would agree with that, but unfortunately it is now making the way around the bicycle stores in my district. I have to go home over the recess and meet with a lot of people in spandex pants and tell them that I was not serious.

Okay. Mr. Administrator, welcome to you.

Mr. STRICKLAND. Thank you, Mr. LaTourette.

REAUTHORIZATION

Mr. LATOURETTE. The subject here has come up a couple of times about the lack of a reauthorization of the highway bill. In SAFETEA–LU, the last iteration in 2005, NHTSA received a 132 percent increase for your safety related programs, and the question is is there any impact upon the Agency or your work in safety as a result of flat funding now and no reauthorization?

Mr. STRICKLAND. No, sir. The programs that were funded under SAFETEA–LU have been very successful, as noted earlier in my testimony about the projected fatality numbers of 33,963, which is a marked decrease from last year. The work ongoing, if the budget is approved, would enable NHTSA to provide grant funding to the states to continue the incentives which have been so effective.

Now that we have the extension until the end of this year, it allows not only NHTSA but the states, to be able to plan more thoughtfully for the rest of the year. The one issue that I think was troubling to the states was the short-term extensions and not being able to plan their highway safety programs and the grant programs funded by NHTSA. Now there is consistency, which is very good in allowing us and the rest of the Department of Transportation to provide a reauthorization proposal to the Congress.

CARBON POLLUTION

Mr. LATOURETTE. Secondly, in front of another subcommittee, Ms. Jackson, the administrator of the Environmental Protection Agency, came and talked a little bit about that agency's endangerment finding on CO_2, among other greenhouse gases.

And my question is basically based upon reports from the U.S. refining industry that our refining industry will freeze investment beyond maintaining operations if the EPA moves to regulate carbon pollution, I guess the question for NHTSA is from your perspective how will you make sure?

I mean, one of the ways is making littler cars, lighter cars, things of that nature, and so what all are you doing at NHTSA to make sure that as the EPA moves forward with its greenhouse gas endangerment finding that we are not somehow losing safety?

Mr. STRICKLAND. In addition to the EPA's authority from Massachusetts vs. EPA and the Clean Air Act, NHTSA's responsibility under CAFE since 1975 has been to regulate fuel economy and to have safety as a consideration in the setting of those rules, not only from the basic foundation CAFE law.

The CAFE reforms that were passed in the Emergency Independence and Security Act of 2007 created a reformed CAFE, which created a curve, if you will, for the entire nationwide fleet. The impact of that reform forces technology to be the driver of increasing fuel economy and not downweighting, so we believe the reformed CAFE will address a number of the anomalies that the old CAFE might have had in terms of impacting safety.

Also, the work that we have done in preparation for the promulgation of the final rule is that while there are going to be other technologies and new materials to be used to achieve those fuel economy numbers, our projections are that if there is some notion of downweighting it would be in the very heaviest parts of the fleet. It will be the largest SUVs and not downweighting the smaller or midsized cars.

So actually if the CAFE reform works as we anticipate it will, CAFE will actually improve safety for the entire fleet in the long term, so we at NHTSA are very confident that the new fuel economy regulations as implemented through 2016 will not only move the ball forward for fuel economy along with EPA working with us on greenhouse gases, but will also have not only a cleaner fleet, but a safer fleet in the long term.

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

Mr. OLVER. Thank you, Mr. LaTourette. Now, Mr. Strickland, you made a comment here earlier that you look for anomalies in safety data. I am always looking for anomalies in data.

Mr. STRICKLAND. Yes, sir.

VOLUNTARY VEHICLE RECALL

Mr. OLVER. Sometimes I get way off in the weeds when I do that. I am curious to follow up on the comments that Mr. Latham was making earlier. The process whereby in your defects investigation program you get to the point of voluntary recalls. In your written testimony you speak of how many million vehicles have been recalled voluntarily somewhere along the way.

It must start obviously with a single complaint, the isolated or the random complaint. When does that rise? At what point does that rise? At what level of repetition does that then trigger your investigation? You really cannot go after an individual complaint very effectively. You have to go after those that you are getting considerable repetition.

At what point do you have serious communication with the auto company and so forth? What kind of resistance do you get there? When do they finally voluntarily get to the point and with what stick do you have to force them there? Will you give us sort of a rundown of how that occurs?

Mr. STRICKLAND. Mr. Chairman, I would be more than happy to. In terms of your question of what is the tipping point for the Office of Defects Investigation to open up a preliminary evaluation, a PE, or an investigation, it varies. There is no set number that you have to have this many complaints of this severity in order for us to open an investigation.

There have been times when given the severity of the issue, we have opened an investigation with as few as five complaints. Sometimes it could be as many as over a thousand particular complaints. There is a notion of not only frequency and similarity of complaints, but the severity of it.

If there is a fatality that accompanies that particular complaint, we pay very close attention to it because we do not want a situation where we are looking for more incidents of a certain type before we act because that could mean more lives lost. So it varies in terms of severity and the frequency.

In terms of how the process works and the sticks that we have to influence recalls and investigations, we have a formalized process where we can force a mandatory recall where there are several ultimately public hearings and show cause procedures and ultimately the decision comes to me as administrator. If the staff presents me a mandatory recall request, I review the evidence and I can ultimately force that recall.

Mr. OLVER. You have not, I take it, triggered that in the three months of your tenure?

Mr. STRICKLAND. I have not found that pen yet, but it is close at hand.

Mr. OLVER. I see.

Mr. STRICKLAND. But in terms of that, the auto maker has a right to then challenge that mandatory recall order in Court de novo, which means that the entire record that the Agency made to force that mandatory recall goes away. The Federal District Court looks at it as a brand new case.

So the process, if we went through a full mandatory recall process, could take well over a year to a year and a half internally for the Agency, and then if the auto maker chooses to challenge us in Court it can be even longer than that.

Mr. OLVER. Do you know how many times NHTSA has actually triggered that full process if it takes more than a year? I do not remember it getting to the level that requires that.

Mr. STRICKLAND. No. It is incredibly rare.

Mr. OLVER. That would be a major conflagration in the press.

Mr. STRICKLAND. It would be, and that is one of the reasons why NHTSA has been so successful in influencing recalls. We present evidence to the auto maker that we believe is an unreasonable risk to safety in this particular defect, and we will go forward with the process if they do not do so voluntarily.

That is where I think, Mr. Olver, you made comment about the negotiation process and how much pushback happens. Auto makers will challenge us because a recall can run into the billions of dollars for a particular manufacturer so it is a very serious issue for them, but if they feel that we do have evidence of a defect that is a reasonable risk, the public scrutiny of fighting NHTSA over whether or not they should or should not execute a recall would be way more damaging to them.

Mr. OLVER. Do you have any recollection or institutional knowledge somewhere in the Agency of it actually going to that level? Have we gone through that in the last say five years that I have been Ranking Member or Chair of this committee?

Mr. STRICKLAND. There has been no——

Mr. OLVER. There have been none?

Mr. STRICKLAND. There have been no mandatory recalls.

Mr. OLVER. I see some shaking of heads.

Mr. STRICKLAND. There have been no mandatory recalls in the period that you have served on the subcommittee, sir, as Chairman. The issue, though, is that there are some auto makers that are more reactive than others to our requests. That was the issue.

Mr. OLVER. More responsive than others?

Mr. STRICKLAND. More responsive. Absolutely.

Mr. OLVER. All right.

Mr. STRICKLAND. That was one of the issues that we had with Toyota, that they were one of the slower manufacturers to respond to our requests and they often fought us longer and harder, which is the reason why the Agency before I took office took some extraordinary steps and then once I came into office took the extraordinary steps once again regarding the sticky pedals.

Mr. OLVER. Thank you very much. Mr. Latham.

INTERLOCK

Mr. LATHAM. Thank you. You know, one of the biggest problems we have is people driving impaired and the interlock ignition standards. What are you doing? Where are we? Is there standards across to the states now, or is there any push to get states to adopt an interlock? Tell me what we are doing.

Mr. STRICKLAND. Well, actually that is one where we have a tremendous amount of research underway in terms of interlock or whether it is the current interlock technology or future interlock technology, and that is a long-term research project that we are underlying right now.

In terms of incentives for the states, there was grant funding provided to encourage the use of interlocks in SAFETEA–LU not for primary first offense, so you get caught driving impaired once. Oftentimes you have to have multiple offenses before you have an interlock device placed on your car.

NHTSA and several safety advocates agree that a primary offense interlock is one policy that the states could adopt that would be incredibly effective and improve safety on the roads for impaired driving, and we are working very hard with our partners in the states to hopefully encourage those issues.

That is something that we would like to work with this committee and the rest of the Congress. As we think about the next highway authorization, how can we better move the ball forward in terms of the usage of interlocks and interlock technology for impaired driving offenses.

Mr. LATHAM. Okay. But you do not have an "approved" technology. Are you talking about also you have a model legislation supposedly with texting and all this. Are you talking about doing that?

Mr. STRICKLAND. No. No, sir. It is a performance standard, and I think NHTSA always tries to work through performance standards and not try to lock in particular technologies.

Current interlock technology works. It is very effective, but there can also be ways to use interlock technologies in the future that could be better integrated into the automotive systems that could also prove to be very effective and less invasive, and that is the work that we are undertaking right now.

Mr. LATHAM. Okay. I represent quite a rural district, and there is kind of certainly an unacceptable number of fatalities that happen on the rural roads, whether it is unsafe road conditions, maybe people more apt not to wear their seatbelts out in the country and impaired driving, again getting back to your point.

Are you doing anything to better identify exactly what we can do in the rural parts of the country rather than just the urban areas?

Mr. STRICKLAND. Oh, yes, sir. Our programs reach every state and the District of Columbia and the territories, and we have to recognize the differences in those states in terms of urban density, in terms of driving patterns, in terms of needs of those particular states. We are very flexible in working with those states and dealing with their particular issues. For example, in states with large rural areas another component of this is emergency medical service, which is incredibly important because you do not have the urban centers where you have quick ambulance response.

The one thing that NHTSA does and works very hard on—I am the chairman of the Federal interagency task force dealing with emergency medical services—for example, is to try to find a way to deploy emergency services better in rural areas so that when you do have an accident those citizens have the same ability and the same access to emergency care than folks that live in the cities. That is the goal.

Mr. LATHAM. Did you deal with signage? I mean, if you are out in Franklin County, Iowa, at night and there are railroad crossings out there. There are no lights at the crossbuck. Do you deal with that at all?

Mr. STRICKLAND. No, sir. That is Federal Highways Administration. That is Administrator Mendez.

Mr. LATHAM. Okay. That is not a safety issue.

Mr. STRICKLAND. It is a safety issue, but we deal with the car——

Mr. LATHAM. Yes.

Mr. STRICKLAND [continuing]. And the behavior of those driving the car. Signage and other roadway issues are Federal Highways.

Mr. LATHAM. Now, the extension on the highway bill. Are you going to have proposals for your Agency to be included in the reauthorization? Is anything tangible there today, or are we going to wait until March next year to get your input?

Mr. STRICKLAND. No. No. Secretary LaHood would not be very happy if I did not have a draft proposal ready to go. We have several principles that we are working on throughout the Department and within NHTSA, and our goal is to have a proposal to the Congress within the period of the extension.

Mr. LATHAM. Okay. Thank you, Mr. Chairman.

Mr. OLVER. Mr. LaTourette.

SAFETY ENFORCEMENT

Mr. LATOURETTE. Thank you, Mr. Chairman. You mentioned when I was talking to you before the CAFE rulemaking. It is my understanding that I think prior to your arrival that funds were transferred from—reprogrammed from—vehicle safety enforcement to rulemaking for that purpose. Is it correct that NHTSA has not asked for the safety enforcement budget to be restored? If that is correct, why?

Mr. STRICKLAND. Actually in terms of the money needed for CAFE and the money for rulemaking and enforcement, those funds were actually adequate. Basically the flexibility that we used took care of those sort of emergent issues as we were working through that.

So there has been no diminution of funds in terms of what we do in enforcement and in CAFE. We are very close to finalizing the rule in CAFE in April, and we are beginning work on the medium duty and heavy duty rule, but we have proper resources in the fiscal year 2011 budget to take care of all of those issues.

TOYOTA

Mr. LATOURETTE. Great. The Chairman and the Ranking Member have talked a little bit about Toyota, and I want to talk to you about another aspect of it, but first of all are you involved, your Agency involved, at all with the guy that said he could not stop his Prius on the freeway?

Mr. STRICKLAND. I hate to say it this way. There are several investigations I guess and press reports about Priuses. There was one in Harrison, New York. There was one in San Diego, California. I am not sure which one you are alluding to, but we investigated both of those Prius incidents.

Mr. LATOURETTE. I do not know which one I am referring to either. Just when I flip on the news there is some guy. Some people are saying he is a liar. Some people say——

Mr. STRICKLAND. We are a "just the facts" agency. We do not look at the driver's motives. We look at whether the car has a defect that poses a reasonable risk of safety.

Mr. LATOURETTE. Staying on the Toyota theme, has NHTSA received any reports or complaints that a rival car company is sending out mailings that are marked Important: Toyota Recall Information and offer a bonus if you buy their car as opposed to a Toyota?

Mr. STRICKLAND. I am not aware of that. I will definitely ask the staff, and I will definitely get back to you about that. If that is an issue, the question there is that is a fraudulent, deceptive advertising technique which probably would fall under the Federal Trade Commission's jurisdiction, I would surmise, sort of putting on my hat from a former life and sort of dealing with that agency.

I know that the auto makers are sharp elbow competitors and they will fully take advantage of an opportunity if they see one and we are definitely seeing that in the marketing across the board.

But if there is deceptive advertising when we are having recall notices posing as advertisements, that is a serious issue and definitely we will take a look at that from our perspective and our authority, but we will definitely ask our sister consumer protection agency, the Federal Trade Commission, to look into it as well.

Mr. LATOURETTE. I would appreciate that. When you are talking about a former life, you are talking about work in another agency and not reincarnation?

Mr. STRICKLAND. I was a staffer for the Senate Commerce Committee for eight years, and not only I dealt with NHTSA, but with Federal Trade Commission as well.

Mr. LATOURETTE. On the issue you were talking to the Chairman about, recall, do you from your opinion think that NHTSA has sufficient recall authority? If not, what would you change?

Mr. STRICKLAND. We are taking a top to bottom look at all of our authorities, not only on the behavioral side, but in the vehicle safety side.

Our base authorities are several decades old, the Motor Vehicle Safety Act of 1966, and current amendments are the changes in the 1970s. I think it is always the right thing to do as an agency is to look at its authority and to see if it can be improved, made more efficient, and we are undertaking that task as we speak.

When we have recommendations we will be more than happy to present to this subcommittee and the rest of the Congress hopefully our recommendations for changes that we may think may be necessary to improve us.

FATALITY RATES

Mr. LATOURETTE. I appreciate that. I just want to congratulate your agency. I know it has a lot to do with vehicle miles traveled, but it is my understanding that we had the lowest fatality rate since 1954——

Mr. STRICKLAND. Yes, sir.

Mr. LATOURETTE [continuing]. Which is the year I was born, a 9 percent drop from last year. Aside from vehicle miles traveled, is there anything else you can point to that is a big factor in that drop?

Mr. STRICKLAND. Well, there are several. In addition to the significant drop that we have seen in our preliminary data for last year, we have been seeing decreases in fatalities for 15 consecutive quarters, so that was well before the economic downturn.

So, yes, while clearly the amount of discretionary driving has decreased because of the economy, NHTSA's programs have worked. Our impaired driving programs to eliminate impaired driving have worked. Our primary belt programs have worked. Our education and outreach have worked.

We ask for this subcommittee to support the 2011 budget so we can continue that work, and we are looking forward to working with the subcommittee as well on the long-term reauthorization where we hope to take on more changes to improve our authorities in this area.

Mr. LATOURETTE. Thank you. Thank you, Mr. Chair.

Mr. OLVER. Thank you. Am I correct that the actual fatalities per million miles traveled and so forth has gone down in this period?

Mr. STRICKLAND. Yes, sir, it has. Actually it is fatalities per 100 vehicle miles traveled, and that has dropped to 1.16. And that is a controlled number that is independent of economics, that is a real number.

Mr. OLVER. Right, within this two-year period where there has been a 10 and then a 9 percent drop, what has been the drop in that statistic?

Mr. STRICKLAND. That has dropped—give me one second, I know——

Mr. OLVER. I was quickly looking for the table to see what it said.

Mr. STRICKLAND. Yes.

Mr. OLVER. Now, there is a considerable drop in that as well, close to 10 percent, which is probably more remarkable. But maybe not, maybe that is just because if there is that much less driving going on the traffic on the road is considerably less congested and less travel within congested time periods and so forth. Maybe there is less anger going on because of waiting around and so forth. There have to be some reasons that go into it, but it is interesting that not only have the fatalities gone down dramatically but also, in the same percentage range, that particular measure has gone down as well.

Mr. STRICKLAND. Now, Mr. Chairman, that number was 1.3, so it dropped from 1.3 to 1.16. That was the drop in the period.

Mr. OLVER. In the two-year period.

Mr. STRICKLAND. Yes, sir, that you were asking about.

Mr. OLVER. Which is about 10 percent per year.

Mr. STRICKLAND. Yes, sir.

Mr. OLVER. Okay.

Mr. STRICKLAND. We would like to think hopefully not only education but more harmonious driving on the road and better citizens is always a good thing and if we can encourage that, we will definitely do that.

Mr. OLVER. Well, I hope that it can stay down there. As traffic comes back my concern is, and I do not know how you can stop it if traffic comes back because our road systems are not growing or getting that much better maintained, when the traffic goes up a slot we are probably going to see it slip upward. It should be your job to make sure it does not slip very far upward.

Mr. STRICKLAND. Yes, sir, Mr. Chairman, we understand that when the economy improves that we will see more discretionary driving and there will be more risk on the road and it will be a hard task for us to maintain the gains that we have seen over this two-year period in addition to trying to make advances getting that number below the 33,000. It will be a very difficult task and NHTSA is up to it and we will continue to work very hard in that area.

Mr. OLVER. Let me take up something else. I am sorry that Mr. Latham had to leave, because he and I heard testimony yesterday in a hearing where the HUD agencies involved with housing on the Indian reservations and the DOT agencies involved with transportation on the Indian reservations were discussed. What we heard, ultimately was that there are over three times the national average of traffic fatalities on Native American lands, on the Indian reservations, in Indian country, than the national average. Now that is a pretty dramatic kind of a number.

Mr. STRICKLAND. Yes, sir.

INDIAN RESERVATION CONDITIONS

Mr. OLVER. The suggestion was that there are unsafe road conditions. I would say from looking at pictures, they do not look as if the roads were designed, most of them are unpaved as well, that there is low seat belt usage and alcohol impairment, those were the things that generally were cited. You have had very good campaigns on seat belt usage and drinking. We have obviously improved the roads steadily, or tried to except for periods when we are without reauthorization of our surface transportation systems which clearly we are in danger of losing the quality of the road surfaces if we do not get going on that kind of thing. First of all, do you have authority to have impact on there, and exactly what are your programs like on the Indian reservations?

Mr. STRICKLAND. Our programs are the same programs that we use for the states. The relationship in the funding is different. The Congress provides $4.5 million in Section 402 funds every year to the Bureau of Indian Affairs, and that $4.5 million managed by the Bureau of Indian Affairs, they act like a state highway grant.

Mr. OLVER. It goes through BIA?

Mr. STRICKLAND. It goes through BIA, and that money is for the incentive programs for all 600 Native American tribes. So just from a funding standpoint, $4.5 million to deal with all the Native American tribes, I can see that probably being one issue there. In terms of how we interact with the Bureau of Indian Affairs, we treat them as any other state highway safety program, and we will in terms of offering our assistance. In terms of providing guidance and education and the support of our advertising programs, we are definitely looking at new opportunities and new ways to create better operational efficiencies in working with BIA on this front because, just as in motorcycles, we agree that number is way too high and we need to do more work in that area.

Mr. OLVER. Well, the $4.5 million is not a number that should be proportionally compared with your whole budget, but that is half of 1 percent of your budget. And the population on the Indian reservations is probably not much more than half of 1 percent of the population. It is a little bit more than half of 1 percent. But the statistical evidence really calls for something to be done, and I would like you to. We may even write something into our legislation this year, but I would like you to think seriously maybe with some further contact with the Subcommittee about how those programs work.

When you mentioned that it goes through the BIA, I have the feeling, from serving on the Interior Committee where the BIA and Indian Health Services dealt with and all the things that that entails, and the horror stories are horrendous it seems to me, along with chairing this Subcommittee where we do housing and transportation, that there is one awful lot of sand that gets in the gears in the process of how our agencies work with Indian people on the reservations.

Mr. STRICKLAND. Mr. Olver, we will be happy to communicate with the Subcommittee and our staff will work very closely with your staff in trying to find ways to improve the numbers in Native American tribes. You are absolutely right, the numbers are statistically off the charts in terms of the population and the risk, and we need to do a much better job and we are looking forward to working with you on that.

Mr. OLVER. Thank you, thank you. Mr. LaTourette.

SECTION 130

Mr. LATOURETTE. Thank you, Mr. Chairman. Mr. Administrator, one of the greatest safety features of the highway reauthorization in my opinion is the Section 130 program which provides funds to upgrade at-grade railroad crossing. And you can make railroad crossings impenetrable and some clown is still going to try to beat the train. Are you involved in the implementation of that, do you make suggestions at all, your agency?

Mr. STRICKLAND. That is, again that is Federal highways that deals with grade crossings and I guess the Federal Railroad Administration probably deals with that as well. We deal with the education parts of just in terms of safe driving generally, speed control issues, aggressive driving, and part of that is challenging the grade crossings or trying to beat the train is definitely part of our efforts in terms of our general teaching about safe driving and all of those efforts, and we definitely will work with our other Administrations to help improve overall safety around grade crossings. But the actual physical grade crossings themselves, that is Federal Highways.

Mr. LATOURETTE. Federal Highways, so you do not get involved or make suggestions about design modifications?

Mr. STRICKLAND. No, sir, we do not.

SAFETY

Mr. LATOURETTE. Okay. One of the difficulties with some of the proposals, you talked about how much, when you were talking to Mr. Olver about the motorcycles, seatbelts, air bags, and so on, one of the big dilemmas has always been during the reauthorization of the Highway Program whether you use a carrot or stick approach and what the impact is. And on the helmet issue I can remember pretty vividly during the reauthorization of not only of ICE TEA but then T–21 which became SAFETEA–LU, that there were proposals that you would withhold—not you—but that funds would be withheld from states that did not enact mandatory helmet laws.

What would happen historically is that we would have a hearing on it and a lot of large gentlemen with body art and hair would, you know, fill the back and sort of cross their arms and scowl at you, you know. So it is a tough thing, and, you know, some could make the argument that unlike seatbelts and other things that are designed into a passenger vehicle that if you want to ride your motorcycle without your helmet and that is you understand that it may cause your death and you feel like doing it anyway, which is their argument I guess. If you were the king and you could use either the carrot or the stick as we approach this reauthorization, what would be, I assume helmets would be on your list, is there anything else that would be on your list that you would either give a state more highway funds if they did it or take them away if they did not that would satisfy some of the things that you are working on?

Mr. STRICKLAND. We would be happy to talk to you about our overall safety program in terms of what would be the most effective way to sort of to move the needle. Motorcycles is one that I am very concerned about because of all the trend data that we have been seeing and we have provided to the Subcommittee, that trend is going in the wrong direction, it has been going in the wrong direction for a very long time. But of those deaths, there is 33,000 people, over 33,000 people that lost their lives.

So we need to be stronger and more effective in impaired driving, we need to be stronger and more effective in belts, we need to be stronger and more effective in aggressive driving and in speed control. All of these issues play into the safety matrix that NHTSA deals with, and any policy that would help move the safety needle forward, we would be happy to have ongoing suggestions and conversations with this Subcommittee and with the rest of the Congress in doing that.

MOTORCYCLE SAFETY

Mr. LATOURETTE. I would appreciate that very much. And just on the subject of motorcycles, I know you mentioned that helmets is the biggest cause in your mind of fatalities, but my observation as I drive down the road is that there are a lot of people driving motorcycles that have no business driving motorcycles, they have not had the education and the training. I mean I cannot ride a motorcycle, I would never ride a motorcycle just like I am not going to ride a horse, I do not know how to do it. Is that anywhere in the data that you have looked at? So you have got helmets number one, how about the fact that you have got people that do not know what they are doing?

Mr. STRICKLAND. The current grant programs deal with education, rider education and the education of drivers around them. In terms of the licensing, that is a state issue and we encourage the states to put together more fulsome licensing programs and training programs for riders. Even with proper training there is also human behavioral elements that are at play here. The one thing that the data has shown that the popularity of motorcycles has risen over the years, it is that the riders are getting older and their response times are slower, which is another factor that goes into the number of accidents and fatalities as well.

So there is a combination of issues with motorcycles that we have to address, it is not simply wearing a helmet is the best thing that you can do to keep a person alive if they have an accident. Proper training is very much an element, and especially recognizing your own limitations in riding the motorcycle is an element as well, and I am sure there are several others. We will be happy to discuss those in more detail. My staff is very knowledgeable on this issue on motorcycles and all the data around it, we are happy to have ongoing discussions with your office about that.

Mr. LATOURETTE. Thank you. Thank you, Mr. Chairman.

Mr. OLVER. Mr. LaTourette, I cannot help but comment, as you were starting your comments there I was seeing a fairly large gentleman with a fair amount of hair and imagining whether there might be body art if you wanted to show it to us. Mr. Berry, thank you for joining us today. You always bring color and substance to our hearings.

Mr. BERRY. You all have given enough material for a 30-minute standup act. When Steve was talking about all the things he cannot ride, I am not going to list all the things that I cannot ride, but I can see a lot of opportunities for comments about that. And I appreciate the gentleman from Ohio's bringing that issue up because it seems like it has been around way too long now and we still do some things that are not very helpful. The thing that has always bothered me the most about applying the necessary safety protection in any kind of transportation is that people that get hurt are not the ones that pay the bill, it is usually the public that ends up taking care of those folks for the rest of their days many times if they did not use necessary safety equipment. And I really do not have anything to add, I thank you for being here this morning and doing this.

Mr. STRICKLAND. Thank you, sir.

Mr. BERRY. But I would just like to associate myself with the remarks that the Chairman made about the Native American reservations and the way they get treated by Transportation in general.

Mr. STRICKLAND. Yes, sir.

Mr. BERRY. And I would encourage you to do anything you can do to try to improve that.

Mr. STRICKLAND. Yes, sir, Mr. Berry. We will definitely be happy to talk to your office as well. We are seeing more lives lost and that is an upward trend that has to be a top level agenda item for this agency and it will be one.

Mr. BERRY. Thank you very much. I yield back, Mr. Chairman.

Mr. OLVER. On that point, we will make certain that all Members of the Subcommittee because there is interest on the part of several of the Members if not all, of whatever we might, whatever communication we might have on that issue.

Mr. STRICKLAND. Yes, sir.

STAFFING

Mr. OLVER. Mr. Strickland, I am very impressed by the fact that you are finding within your budget the places to do more, and finding places where more is not needed and you can actually take out a little bit and so forth, and move around to be able to accomplish what is needed. I was at first quite surprised that you were going to get 66 new positions. My first calculations said that would be more money just for the salaries. You know, what is a budget that is only $5 million, or less than $5 million, increased over the past year? Then I realized that it was 33 full time equivalents, and I take it that that means is assuming a half-year hiring essentially for this.

Mr. STRICKLAND. Yes, sir.

Mr. OLVER. On average some will come on more quickly and some will not during the fiscal year, so that is not unreasonable if you just put $100,000 down as the salary for the type of positions the personnel costs and such with doing that. But I am curious if you can give us an idea how you make the allocation as to what places those are going to be needed. Can you describe for us how that significant addition in staffing, which I believe you need, is going to go to the various programs?

Mr. STRICKLAND. Well, it actually will be across the entire agency, not only on the behavioral grants side, the traffic injury control side, but also the vehicle safety side as well and NHTSA's office there. In terms of there will be folks, I believe that we are looking at additions and enforcement generally which includes the Office of Defect Investigation, increases in our rule making office where we have several rules underway, we will need additional support not only from the engineering and analysis side but the legal support in getting those rules out.

We also will need additional help and assistance in our Office of Chief Counsel where they support the entire mission on both sides of the house, the behavioral side and on the vehicle safety side as well. So in terms of the allocations, one thing that I have learned in my three months on the job is that NHTSA's priorities have to recognize what the risks and the efforts that are out there.

So when we presented the President's budget to you, that was prior to what we now know about our ongoing work on the vehicle safety side with Toyota. So I believe that we originally were allocating eight or nine employees for that area, we may make a decision to allocate more people in that effort because of the long term research goals that we have in other areas, and we will definitely communicate with you those recommendations that we have and as we make those final decisions going forward.

Mr. OLVER. How many of those FTEs are necessary for the distracted driving program?

Mr. STRICKLAND. In the behavioral side of the house, there is approximately about 15 or 16 of those folks and they support several areas. They support not only distraction but impaired driving, the belt programs, and pedestrian and bicycling safety. They do a number of different tasks within traffic injury control. So there is not still going to be individuals specifically allocated for distraction, there will be folks that will be supporting the entire grant mission that we undertake.

Mr. OLVER. And how many do you think are going to be assigned to the office or maybe cubbyhole for Indian reservation consideration?

Mr. STRICKLAND. We will definitely take a look at that effort, we will be happy to talk to you about that.

Mr. OLVER. Okay, I will go back on a second round here. And, Mr. Carter, do you want to be?

Mr. CARTER. I think I had better listen, Mr. Chairman. I am sorry I am late.

Mr. OLVER. Well, it is good to have you. You always offer good things when you are here. So I will go back to Mr. LaTourette. We will go through one more round here and then let Mr. Strickland go back. With all the people here I do not know how many are from the agency but I am wondering if we have badly slowed down the good works that you can do by this hearing. Mr. LaTourette.

CASH FOR CLUNKERS

Mr. LATOURETTE. Perhaps if they had worn helmets it would be different. Did NHTSA have a role in the Cash for Clunkers program?

Mr. STRICKLAND. NHTSA actually managed and ran the Cash for Clunkers program.

Mr. LATOURETTE. That is what I thought. Just, any stories from that experience that would be a benefit? Good experience, not so good experience?

Mr. STRICKLAND. I have a very strong, experienced, and intelligent staff that if I were Administrator during that time period I think I probably would have fallen over half dead, but this same group of people that worked on Cash for Clunkers are the same folks that do all of the agency's missions and work, and they have handled Cash for Clunkers with incredible aplomb and great success, and I could not be more proud to be their Administrator.

The lessons learned are many in terms of not only from NHTSA as an individual administration or the Department of Transportation as an entire department or the executive branch as a whole, that the ability to be incredibly flexible, to be able to leverage not only your own staff but the staff in the entire Department of Transportation to get a program like that off the ground from bedrock in 30 days is an achievement which I cannot think of in terms of from a rule making and a program implementation that we have probably seen in the Federal government in a very long time, if ever, possibly.

There were 700,000 cars that were purchased, the fuel economy of cars was incredible. I know there was an expectation that a lot of those vehicles would have been exchanging older SUVs for newer SUVs, but the incentive of $4,500 got people out of larger more inefficient SUVs into passenger cars which are better on fuel. We are still trying to get all the data together but I will make an educated guess that we have probably greatly improved the safety as well, because we got older cars with lesser safety systems off the road and people buying new cars with airbags and other more advanced safety systems as well. It was a complete success on a lot of fronts, and the agency is very proud of that accomplishment.

Mr. LATOURETTE. And I think you should be. There was some criticism from auto dealers that the forms were a little long, 21 pages or some such thing, but, you know, I think you are to be commended or the Department is to be commended for the work that you did. I would just make mention of the fact that it was a $3 billion program and imagine if it was hundreds of billions and healthcare that we were talking about, getting that program up. That is a different day. I want to talk about pedestrian safety, which is important.

Mr. STRICKLAND. Yes, sir.

Mr. LATOURETTE. And you have said in your testimony that, and I think that you are developing educational enforcement based programs to reduce the incidents of crashes involving impaired individuals, but just like I love people that ride bicycles I love pedestrians and encourage people to walk wherever they can. So what are you talking about doing and what are you doing? And just, there is a bill that I am aware of that is being pushed by several of the blind organizations that talk about minimum standards for the noise a car has to make and other things. So what types of things are you working on?

VEHICLE NOISE STANDARDS

Mr. STRICKLAND. There are several issues, Mr. LaTourette, that we are undertaking on pedestrian safety. And the reason for my particular focus on this issue is, as described by Secretary LaHood, the effort for level of communities where we are going to be encouraging more people to walk and to ride bicycles. Individual mobility is not going away. We are going to be having cars having to interact with increased pedestrian traffic and we need to find better ways to make sure that we do not create higher risks from this in this transition.

We are talking about enforcement programs very similar to what we are doing in impaired driving where there is zero tolerance on the part of local police departments in terms of jaywalking and proper utilization of pathways to making drivers more aware, not blocking the box, all of the things which some police departments may think of as de minimis are actually can really move the needle in terms of safety for pedestrians.

In addition to that, education programs for drivers and pedestrians very similar to the work that we undertake in impaired driving and in belts, and we are looking at integrating that in a system that we are working on in impaired driving that has proven to be very successful from an organizational standpoint. And to also to respond to your final point in terms of silent cars, the one thing that impacts not only pedestrian safety is the fuel economy standards that we will promulgate on April 1st and the continued electrification of the fleet.

As you know, electric cars do not have anywhere close to the same type of sound signature that a regular internal combustion engine has, and we are seeing that already with the hybrid cars, the Priuses and the hybrids that are out on the fleet. It is not just those that are sight impaired, we have found in parking lots that folks are not aware of a hybrid car behind them and if the person driving the hybrid is not aware of everything around them we are also seeing impacts and issues there. So we are undertaking several research projects in dealing with this issue, hopefully to make us much smarter about those impacts, and if we are finding that there is an emerging risk that where we may need to undertake rule making there to deal with this sound issue, we will do so.

Mr. LATOURETTE. Okay. Thanks so much. Thank you, Mr. Chairman.

Mr. OLVER. I assume the tires still squeal?

Mr. STRICKLAND. Actually, the interesting thing that we found in the data is the tire noise is probably one of the main signature sounds that once you get to a certain speed you hear not only the engine but the tire noise. But we have to try to find a voluntary set of standards that the industry is going to undertake or if it goes to a more permanent rule making posture, we do not want to overcorrect, because the one goal for the entire fleet has been to try to make cars quieter because we are having noise impact in densely populated urban areas and you do not want to end up exchanging one problem for the other. So we have to be very careful in trying to find the right balance there in the safer car issue.

Mr. OLVER. Thank you, you are ready with answers to anything, even if they were not intended. That was just a side comment, thank you. Mr. Berry.

Mr. BERRY. I have no further questions.

Mr. OLVER. No further questions. Mr. Carter, it comes round to you.

Mr. CARTER. Well, I did hear something I have had experience with; not by choice but by mandate. And it really is kind of a solution because they do not make any noise, and even the driver sometimes can forget that that car will go forward if you step on the gas, because it does not make any noise. And especially backing up in a parking lot at the grocery store, you could easily run over somebody, because they are walking behind your car and they are listening for that engine running, and you put that little electric motor in gear and it makes no noise at all. The question is going to be, I know that a friend of mine has got a Toyota pickup that has got a little voice that yells out, get out of the way we are backing up. Are we going to be going to that kind of thing? Because I think you may have to see that.

Mr. STRICKLAND. I know that for each manufacturer that produces hybrids and electric vehicles, they are looking at sound profiles to help give warnings. In the instance of larger trucks and delivery trucks, they have the backup beeping sound to help with that. And the question again, Mr. Carter, is trying to find the right warning, the right sound profile to assist not only pedestrians around the car, but to also make the driver, I mean it is also driver awareness.

Also one rule underway at NHTSA is the Cameron Gulbransen Kids Traffic Safety Act, and one of the components of that is rearward visibility of the driver, trying to create performance standards to make sure that drivers can actually see what is in back of them when they are backing up, whether it is a camera or better mirrors. We are working toward that performance standard when we will get that rule out on time. But the question, Mr. Carter, I think is not only a valid one but it is very pertinent to how the fleet is evolving, how we can empower drivers to be better about what they see behind them, but how we can empower pedestrians to actually protect themselves.

Mr. CARTER. And I am not an advocate of the government intruding in people's lives, but if you have ever been to Great Britain, and you have all experienced stepping off the curb because the traffic is coming from the wrong direction, and we are, whether we like it or not, we are Pavlovian responses over our experiences in life and most people do not expect cars to back up when they are not making noise or go forward when they are not making noise. And so we are going to have to come up with a solution, just make a motor noise is probably just the easiest way to do it.

Mr. STRICKLAND. Yes, sir.

Mr. CARTER. Rather than some guy screaming, watch out I am backing up.

Mr. STRICKLAND. Yes, sir, Mr. Carter.

Mr. CARTER. Thank you.

Mr. OLVER. Maybe it just has to have something that beeps when it is backing up or something like that at very low speed. I am curious, Mr. Carter, you made the comment that you were driving a hybrid by mandate. Whose mandate was that?

Mr. CARTER. They—just gave me a hybrid. But the reality was I think the Speaker said we had to get that hybrid.

Mr. OLVER. The Speaker said?

Mr. LATOURETTE. No, it was not the Speaker, it is the rules of the House.

Mr. OLVER. The rules of the House that if you are having a leased car it must be?

Mr. CARTER. It was recommended we buy a hybrid car.

Mr. OLVER. Okay.

Mr. CARTER. I got it by accident and my dealer said, well you know what, you are a Congressman. I got a really good deal on it.

Mr. OLVER. Well thank you for the clarification. I was imagining a different kind of a mandate. Let's see, I am just about prepared to close. Actually I have one question, and I will let you have a comment and then we will just have closing.

Mr. LATOURETTE. Thanks.

CAFE

Mr. OLVER. I just wanted to go back to the EPA standard issue for the CAFE standards issue. The EPA has the authority to deal with greenhouse gases, you have the authority to deal with fuel efficiency per se. And you have twice said that we are going to meet the 1st of April deadline, that rule is going to be promulgated at that time.

Mr. STRICKLAND. Yes, sir.

Mr. OLVER. So it is happening, and you have called it a joint rule.

Mr. STRICKLAND. Yes.

Mr. OLVER. So it is a joint rule under both of those, and I take it, what is the form of the joint rule, are there things that relate only to EPA or how does that look? How often, have you done joint rule making before?

Mr. STRICKLAND. This is the first time that we have done a joint fuel economy greenhouse gas rule making because up until this time there was no greenhouse gas authority.

Mr. OLVER. Has NHTSA done other joint rules?

Mr. STRICKLAND. Actually I do not know that, I would have to get back to you on that particular question. But in terms of the work between the Environmental Protection Agency and NHTSA in promulgating this rule, the rule is a good rule and it is going to be a very strong rule. Even though we are each fulfilling our legal obligations, ours is statutory and theirs is by a Supreme Court decision, there are actually areas that the Environmental Protection Agency can regulate and we have limitations that we cannot.

For example, air conditioning systems, we can only regulate a system that impacts fuel economy, actually moving the car a certain distance using a certain amount of fuel. An air conditioner is parasitic, it definitely impacts usage of gas and fuel economy and increase to greenhouse gases, but it has nothing to do with moving the car. So CAFE can actually reach to regulate air conditioning systems, but since it is a greenhouse gas issue the Environmental Protection Agency can regulate air conditioning systems and will undertake regulating that in this rule. So that is one particular instance where the joint rule making not only covers the statutory mandates it actually makes it a stronger more effective rule on behalf of both NHTSA and EPA and overall greenhouse gas impact.

Mr. OLVER. Well I just happen to think that the breaking down of these silos can be nothing but a good thing. Every one of us I think can imagine places where the collaboration between agencies will lead to smoother workings rather than the kinds of difficulties that you run into when that is not done at all, as it has typically been done in the past, my impression at least. Mr. LaTourette, anything?

Mr. LATOURETTE. Just one observation, and just a parochial thing. I have in my district something that most of the Members probably do not, I have a lot of Amish. So one of the big problems we have are motor vehicle buggy collisions. When we were running up to the reauthorization of SAFETEA–LU I had a guy come in and try to sell me on some proposal, you know, right now most of them just have that big reflector that you have on farm wagons on the back, but he was saying, boy could you get me a grant to do what Carter was talking about, you know, like, look out there is a buggy ahead. Is NHTSA working on anything, is that a big problem that is on your radar screen or is it just I have got to do something in Geauga County, Ohio?

Mr. STRICKLAND. Mr. LaTourette, we will be happy to talk to you about that. I guess that is probably similar to the pedestrian automobile interface issue that we just talked about. But I know not only in your community, but other communities in Pennsylvania have very similar problems and I definitely would like to have to come back and have an opportunity to talk to you about that.

Mr. LATOURETTE. And I would love to talk to you, and I thank you, you did a great job this morning. And thank you, Mr. Chairman.

Mr. STRICKLAND. Thank you, sir, I appreciate that.

Mr. OLVER. Well if you want to you can even try in Ontario on the last point, there are a lot of Amish up in Ontario. So thank you very much, this has been a very good hearing, I have enjoyed it very much, and thank you very much for your testimony.

Mr. STRICKLAND. Mr. Olver, it is a pleasure, thank you.

Mr. OLVER. Good luck with your continuing activities.

Mr. STRICKLAND. Thank you very much.

Mr. OLVER. Thank you.

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