

U.S. Chamber of Commerce Recommendations to Congress Regarding SAFETEA-LU Reauthorization

Defining the National Interest and the Federal Role

- The U.S. Chamber of Commerce believes that federal transportation policy, programs, and resources should support U.S. global competitiveness, international trade policies, interstate commerce, interstate passenger travel, emergency preparedness, and national defense, which are compelling national interests.

Policy Objectives

Therefore, the federal government bears significant responsibility to ensure that efforts advancing the following policy objectives are prioritized and funded.

Modernization and Maintenance

- Highway, transit, and intermodal assets identified as being in the national interest should be brought into a state of good repair and modernized. Congress should outline a comprehensive plan involving federal, state, local, and private stakeholders to
 - define and identify highways, transit, and intermodal assets in the national interest,
 - establish performance measures to guide government investment, and
 - incorporate technology and safety upgrades, including open standards-based information technology, into modernization, maintenance and preservation activities to the greatest extent possible.

Safety

- The U.S. Chamber supports a continued federal role in ensuring a comprehensive, results-oriented approach to safety through national safety goals, performance metrics, and complementary plans to guide investment.

- Incentives should be provided for applying best practices and advanced safety technologies and equipment.

Freight Mobility

- A national freight transportation program for identifying and funding federal, state, and metropolitan efforts to ensure adequate capacity, reduce congestion and increase throughput at key highway, rail, waterway and intermodal choke points is needed.
- The program should include a national freight transportation plan built on performance measures and should include a comprehensive survey of key freight corridors and other assets.
- A national freight transportation plan should incorporate the development of new capacity, access routes to major water ports and airports, access routes to border crossings and international gateways, operational strategies to improve utilization of existing assets, and strategic intermodal investments to expedite freight movement.
- The plan should guide government project selection and prioritization.
- The program should not dilute other federal transportation priorities.

Urban Mobility

- Federal policy and programs should support congestion mitigation and improved mobility in urban areas by
 - providing incentives for the adoption of strategies and use of technology that maximize the use of existing facilities,
 - supporting public transportation capacity, availability and ridership strategies where appropriate, and
 - supporting increased highway capacity where appropriate.

Rural Connectivity

- Federal investment in small communities and rural areas should primarily support connectivity to major economic and population centers.

- Investment should be guided by national connectivity goals, population density thresholds, and standardized measures of access.

Environment and Energy

- Our country's energy goals will only be met by a commitment to technology innovation and to *all* types of available energy sources.
- Climate change policy choices have major economic consequences and should not be made without adequate opportunity for debate by lawmakers. Any and all policy decisions relating to the control or reduction of greenhouse gas emissions should be based on a complete understanding of scientific, economic, and social consequences, in order to ensure balanced industrial growth, economic progress, high-quality living standards, and a healthy environment.
- Any and all climate change policy decisions must
 - preserve American jobs and the competitiveness of U.S. industry,
 - provide an international, economy-wide solution, which includes developing nations,
 - promote accelerated development and deployment of greenhouse gas reduction technology,
 - reduce barriers to developing climate-friendly energy sources, and
 - promote energy conservation and efficiency.
- The voluntary use of all forms of public transportation that can be demonstrated to be energy efficient and cost-effective should be encouraged in a way that does not restrict individual choice among competing transportation modes.
- Strategies for improving air quality in regions of the country that do not meet federal standards (e.g., NAAQS nonattainment for a criteria pollutant) must recognize the importance of technological innovation and modernization of the economic base in achieving environmental quality, and must not place an undue burden on economic development.

Methodology

Program Consolidation and Accountability

- Federal programs should be reorganized and consolidated around specific, overarching national objectives to ensure that planning is more comprehensive and projects reflect the federal role.
- Project approval and funding should be linked to economic benefits and performance-based outcomes.
- Performance-based outcomes should be achievable and cost-effective for consumers and economically practical and feasible for industry.
- States and localities should be allowed to pursue solutions that work best locally to meet their unique transportation needs. If those solutions are implemented with federal funding, they should measurably contribute to addressing national interests.

Research and Development

- The federal government should support research, development, and application of improved technologies that
 - improve infrastructure design, construction, maintenance, financing, and operations, and
 - increase safety and enhance the environmental sustainability of the U.S. highway and public transportation systems.

Project Delivery

- The federal government should improve and make consistent the project review and approval process for all modal investments to ensure the completion of transportation infrastructure improvements in a timely and environmentally sound manner.

- The federal government must shorten the time it takes to complete environmental reviews and must support other measures to speed project delivery once they clear environmental review.
- The federal government should encourage private sector involvement to help expedite project delivery.
- Life cycle costs should be utilized in federal-aid projects where appropriate.

Funding

Federal Funding Levels

- Funding levels should be directly tied to fulfilling the federal responsibility in meeting the national interest.
- Current revenue streams are not sufficient to maintain federal-aid highway and transit programs at existing service levels, nor will they be sufficient to meet projected future highway and transit needs.
- Additional revenues are required, and the U.S. Chamber will evaluate funding levels in relation to proposed policies and programs that support the national interest and reflect an appropriate federal role.

Federal Revenue Principles

- A user fee-based trust fund, protected by budgetary firewalls, should be the backbone of federal highway and public transportation investment.
- Funding guarantees, which provide support for stable, long-term capital planning, should be maintained. General funds supporting transit programs should be guaranteed.
- Unobligated revenues should not be allowed to accumulate in the Highway Trust Fund beyond amounts necessary to meet cash flow requirements.
- Revenue mechanisms should be structured to ensure that the purchasing power of revenue sources keeps pace with inflation.
- Congress should develop a road map for a sustainable revenue model that maintains an equitable distribution across all system users, provides

adequate and predictable revenue, and is administrable with minimal overhead.

- Funding allocations from the Highway Trust Fund should be strictly assigned only to transportation purposes.

Private Investment and Financing

- The federal government should encourage project financing and delivery approaches that attract private investment.
- The federal government should expand its role as a financing partner and a lender of last resort.
- Congress should lift the cap on private activity bonds for highway and transit infrastructure.

Earmark Reform

- Earmarks can undermine the integrity of federal transportation programs and should be limited if they
 - are not related to, or are only tangentially related to, transportation infrastructure,
 - do not address the goals of federal transportation policy, and
 - have limited or no national benefit.
- Any funds earmarked for specific projects in the next authorization should be obligated during the authorization period.

Conditions for Chamber Support of Increased User Fees

- The U.S. Chamber would support an increase in user fees if Congress advances a reauthorization bill that realistically achieves the following:
 - A refined federal role, oriented to achieve national interests.

- Significant program reform emphasizing performance management and accountability to ensure that costs are minimized and benefits are maximized.
- Improvement in the integrity of user fees by limiting earmarks and non-transportation spending.
- New opportunities to access private sector funding sources.
- The establishment of a road map for a sustainable revenue model.