

**Testimony of Pete K. Rahn, Director
Missouri Department of Transportation before the U.S. House of Representatives
Committee on Transportation and Infrastructure
Subcommittee on Highways and Transit
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Maintaining Our Nation's Highway and Transit Infrastructure

Honorable members of the Committee on Transportation and Infrastructure: Good morning. I'm Pete K. Rahn, director of the Missouri Department of Transportation and president of the American Association of State Highway and Transportation Officials. I am honored to be here this morning to talk to you about the need to increase investment in the nation's transportation infrastructure.

As you know, the condition of our nation's transportation system continues to deteriorate and the consequences are alarming. The collapse of the I-35 bridge in Minneapolis Minnesota on Aug. 1, 2007 is a grim reminder of what can happen to the vital system we rely on every day to get us around, provide the goods we consume and enhance our quality of life.

We have grossly under funded both our state and federal transportation systems over the last three decades. If we continue this downward spiral, we risk losing our status as a global leader, as well as precious lives.

To put it simply, we must pony up now to remain globally competitive or we will end up with a second-rate transportation system and a much less mobile society than we have today. China has seen the light and can be looked to as a model for investing in transportation. That country, adjusted for purchase power parity, invested \$363 billion on highways alone in the last year. Compare that to the U.S., which at all levels spends annually \$87 billion on highways and transit capital a year. India, according to a recent USA Today article, has tripled their infrastructure spending to \$500 billion a year.

In addition, according to a report from the Urban Land Institute, China is building a 53,000-mile National Expressway System that will rival the U.S. Interstate Highway System when it is completed in 2020. By 2010, 35 percent of the world's shipping is expected to originate from China. India is building a 10,000-mile national highway system, and the countries in the European Union are spending hundreds of billions of euros to upgrade their existing network of highways, bridges, tunnels, ports and rail lines.

The American Society of Civil Engineers recently gave the nation's overall transportation network a D and cited the need to invest \$1.6 trillion in upgrades over the next 20 years. The U.S. Chamber of Commerce's *Future Highway and Public Transportation Finance Study* suggests the U.S. needs to invest an additional \$50 billion a year in our highway and public transportation systems just to maintain their current performance and more than \$100 billion annually to improve the performance of the highway and transit systems.

Compounding the problem is the “tsunami” of freight traffic that is building in our country. Today’s interstates carry an average of 10,500 trucks per day per mile. By 2035, this figure will increase to 22,700 trucks per day per mile. Today only 30 miles on the interstate system carry more than 50,000 trucks per day per mile. By 2035, that number may reach 2,500 miles.

We have taken transportation for granted in our country, and it’s showing. We’ve demanded a lot from our roads and bridges over the years, and they’re proving to us they can no longer stand the strain. The 47,000-mile interstate highway system, which represents about one percent of total U.S. road miles, is a prime example. The system has almost 15,000 interchanges, many of which are wearing out or do not meet current operational standards. Foundations and bridges need to be repaired, reconstructed or replaced.

In Missouri, for example, there are stretches of Interstate 70 that are more than 50 years old, but were designed for a 20-year lifespan. Like most states, Missouri’s transportation needs far exceed its resources. To narrow this gap, we have initiated innovative ways to shore up our ailing infrastructure. With additional funding from a state constitutional amendment that directed highway user fees to MoDOT, we implemented a three-pronged highway improvement package. The program enabled us to improve 2,200 miles of our state’s busiest highways in just two years, accelerate 53 critical highway projects and move ahead with \$1.6 billion in new construction.

As a result, we have improved from having the third worst pavement on major roads in the nation, but our gains are at risk. In the past five years, road conditions have improved from 44 percent in good condition to 78 percent in good condition. We now are working to make the remainder of our state’s major highways smooth and safe and are turning our sights to our next priority: improving our bridge inventory.

With 10,240 bridges, Missouri has the seventh most of any state in the union. Of those bridges, 1,880 can only carry limited loads, 1,613 are structurally deficient and 1,223 are functionally obsolete.

More than 800 of Missouri’s worst bridges will be repaired or replaced within five years under the Safe & Sound Bridge Improvement Plan. We have packaged this project in an innovative design-build-finance-maintain contract that involves private activity bonds to encourage innovative financing and construction. Such an approach will allow us to fix a large number of bridges in a short amount of time.

MoDOT has selected the Missouri Bridge Partners contract team to handle the project. Under the proposal, the team will finance the project’s capital cost, estimated between \$600 million and \$800 million. Missouri Bridge Partners will also be responsible for design and construction of these bridges and structural maintenance for at least an additional 25 years. MoDOT will pay for the program over 25 years with federal bridge funds.

Alternative design standards and performance specifications give the contractor technical flexibility. Quality construction is ensured through the long-term performance requirements during the contract's maintenance period. Expediting construction and transferring inflationary price risk to Missouri Bridge Partners over the construction period are two significant advantages of this unique approach.

National and international headlines have pointed to Missouri's innovative Safe and Sound Bridge initiative as a possible model for the entire nation. I know you, too, are watching our progress closely to see how it can be applied elsewhere. Even U.S. Transportation Secretary Mary Peters said the Safe and Sound Bridge Program is "... attracting national attention for its especially creative approach...."

Finalizing this deal has been especially challenging due to the volatility of the current credit markets, but we are optimistic we will have an agreement soon. While Safe and Sound will fix more than 800 bridges, it will not address our large river bridges that span more than 1,000 feet. To replace all the large bridges that need to be fixed would cost \$7 billion dollars. To make sure they are at least in satisfactory condition would cost \$300 to \$500 million dollars over 10 years. Either way we don't have the money.

In Missouri, we recognize that we must be innovative to accomplish necessary road and bridge improvements. We know we must be efficient in our operations and make our dollars stretch as far as they can. We owe that to the citizens we serve. However, innovative solutions and program efficiencies will only go so far. What we really need is a significant infusion of money dedicated to the nation's transportation system.

At a minimum, the federal-state-local funding partnership must be continued if we are to even come close to meeting preservation needs. We need to maintain the historical federal share - 45 percent - of capital investment in the highway/bridge and transit portions of the national surface transportation system. Federal highway funding would have to increase from \$43 billion in 2009 to \$75 billion by 2015 just to restore the program's purchasing power back to the 1993 level. State and local spending would have to increase from about \$53 billion in 2009 to \$89 billion in 2015. The federal transit program would have to rise from \$10 billion in 2010 to \$17 billion in 2015.

In addition to more funding, states need flexibility in using federal aid to be able to take advantage of asset management approaches that can significantly extend the life of highways and bridges. A goal of asset management is to systematically repair and maintain pavements, structures, facilities and equipment so they do not deteriorate to the point where they have to be replaced. We're asking you to expand eligible uses of federal funds to include any physical maintenance that (1) extends the service life of a facility and (2) is part of a state's asset management approach. We also ask you to make preventative maintenance eligible for federal aid.

In the next transportation bill, we encourage you to authorize a thorough assessment of the interstate and national highway system corridors rehabilitation and reconstruction needs. We are concerned that the Federal Highway Administration's bi-annual

Conditions and Performance Reports do not adequately estimate future needs because the methodology does not address complete reconstruction or replacement of infrastructure that has reached the end of its useful life. The interstate system has more than 55,000 bridges and tens of thousands of other significant structural elements, many of which are reaching 40 to 50 years of age. Bridges and other structures this old usually require substantial rehabilitation or reconstruction. As we go out another 20 to 30 years, they will require complete replacement.

I am very concerned that the investments made in transportation by our grandparents that have given us unprecedented mobility and prosperity are not being made by our generation. Our children and grandchildren will not enjoy the same economic advantages and quality of life because of our refusal to pass along a comparable legacy.

We can't wait for another national tragedy to send a wake-up call. We must either find ways now to fund a transportation system that will ensure economic prosperity or be content to sit in traffic and watch our highways crumble because of overuse and a lack of funding. We can't afford to wait. Jobs and lives are at stake.