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WRITTEN STATEMENT FOR THE RECORD

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AND

MEMBER
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BOARD OF DIRECTORS

BEFORE THE
HOUSE TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON HIGHWAYS AND TRANSIT

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Thank you, Chairman DeFazio, Ranking Member Duncan and members of the subcommittee, for the opportunity to comment on the investment, infrastructure and policies needed to ensure that our nation's transportation network adequately integrates the intermodal and multi-modal needs of America's communities, especially our small metropolitan and rural regions.

My name is Terry Bobrowski. I am the Executive Director of the East Tennessee Development District, headquartered in Alcoa. I also currently serve on the Board of Directors of the National Association of Development Organizations (NADO) and serve as Chairman of NADO's taskforce on transportation.

NADO provides advocacy, education, networking and research for regional development organizations primarily serving small metropolitan and rural regions. The association is an advocate for federal programs and policies that promote regional strategies and solutions for addressing local community and economic development needs. As the premier organization for executive leaders and professional staff of the nation's 525 regional development organizations, NADO and its members have worked together since 1967 to promote the regional cooperation of local governments and communities.

The East Tennessee Development District (ETDD) is a voluntary association of municipal and county governments that are located in the mid-east region of Tennessee. ETDD provides 16 counties and 56 municipalities with planning and development services while also serving as a forum for local governments to solve common problems associated with economic development and growth. This includes coordinating the activities and programs of two rural planning organizations (RPO) covering areas outside of the Knoxville and Morristown Metropolitan Planning Organizations' (MPO) footprints. Our RPOs provide a forum for local consultation and ensure that rural local officials and other stakeholders will be a part of the state's transportation planning process.

The members of NADO support full and sustainable funding for the nation's highway, safety and transit needs. As Congress works towards reauthorization of the SAFETEA-LU surface transportation legislation, we encourage federal policy makers to consider the unique and special needs of the nation's small metropolitan and rural regions.

Specifically, I would like to focus my testimony today on three key points.

First, Mr. Chairman, from rails to roads, bridges to ports, and airports to transit, the nation has a deep and vested economic and security interest in ensuring all modes and aspects of the transportation network in rural and small town America remain viable, fully maintained and modern, and completely integrated into the larger national system. It is essential that federal policy makers take into consideration the unique, pressing and complex highway, transit and safety needs of small metropolitan and rural America.

As this subcommittee is fully aware, the nation's infrastructure remains in serious need of improvements and increased investment. Improvement costs alone in the next several years are

calculated in the trillions. Our ability to sustain the nation's infrastructure is directly related to the United States' ability to maintain and grow a world class economy. The mounting pressures and burdens facing our nation's infrastructure is no secret to any of us. For instance:

- The U.S. population is projected to increase from 300 million in 2007 to approximately 420 million by 2050, according to U.S. Census Bureau estimates
- The number of vehicle miles traveled is estimated to jump from three trillion to seven trillion by 2055, according to the Federal Highway Administration
- Freight demand is expected to grow from 15 billion tons today to 29 billion tons in 2035, according to the American Association of State Highway and Transportation Officials (AASHTO), an increase of 89 percent
- More than 42,000 Americans are killed each year and nearly three million are injured on America's roadways, according to the Government Accountability Office (GAO), with nearly 60 percent of highway fatalities occurring on two-lane rural roads in a typical year

At first glance, the facts above typically result in a mental picture of transportation gridlock, air pollution, roadway crashes and congestion in America's major metropolitan regions and hubs. However, the reality is that small metropolitan and rural communities across the nation are also facing these transportation-related challenges and needs. While the scale may not usually be the same, the level of importance and difficulty of finding solutions for businesses, residents and visitors of these communities and regions often are.

Quite simply, inadequate public infrastructure, including transportation infrastructure, remains among the most significant road blocks to economic development and competitiveness in small town and rural America.

According to the America 2050 report, compiled by the Regional Plan Association, by the middle of this century, more than 70 percent of the nation's population and economic growth will occur in extended geographic regions linked by environmental systems, transportation networks and economies. Dubbed "megaregions", they are quickly becoming the "new competitive units in the global economy" and are experiencing an ever increasing movement of goods, people and capital.

As megaregions grow into and absorb previously small metropolitan and rural areas, problems of increased highway congestion, overcrowded airports and seaports, loss of open space and aging infrastructure will only become more problematic. In short, today's small towns are rapidly becoming integrated into larger megaregions. Without adequate investment and planning, their transportation and infrastructure systems will be unable to adapt.

During a series of national hearings, the National Surface Policy and Revenue Study Commission recognized that "updating the basic backbone of the surface transportation system must take into

account those urban and rural communities, especially those that were not developed when the initial highway and rail infrastructure networks were created."

The report adds that much of the nation's natural resources and agricultural production are located outside of major metropolitan areas, and that the nation has an "enormous interest in providing efficient transportation connections to these industries, allowing capital and labor to flow out from them to U.S. and foreign markets and consumers."

As our cities grow beyond their traditional parochial boundaries and become increasingly regional, the primary drivers of our nation's economic competitiveness will also become increasingly regional in nature. Developing a transportation network that connects all facets of a region, urban-to-suburban-to-rural, in a seamless, user-friendly fashion also becomes increasingly critical to ensuring that our domestic economic markets can compete on a global scale.

For example, in my 16-county region, we work to maintain a transportation network that must serve the needs of the Department of Energy's largest science and energy laboratory and the world's largest materials research facility, the Oak Ridge National Laboratory, with its staff of 4,200 and annual funding in excess of $1.2 billion. At the same time, less than 20 miles away, we must address the needs of the community of Briceville, where many homes are not even connected to a public water system.

In addition, as evidenced by the Appalachian Regional Commission's (ARC) recent impact study of the Appalachian Development Highway System (ADHS), connecting previously isolated areas to the national transportation system yields significant economic benefits. According to ARC, completing the ADHS is projected by 2035 to create 80,500 jobs, $3.2 billion in wages and generate over $5 billion in increased regional economic activity. Nationally, the savings in travel time, and fuel and non-fuel operating costs, and increased safety are estimated to grow to $45.1 billion annually by 2035.

Second, Mr. Chairman, the direct involvement of local officials in the statewide planning process is crucial to making transportation systems work more effectively and efficiently in small and rural communities.

While often viewed as only roads and bridges, the rural transportation system actually consists of a complex and growing network of local transit services, intermodal freight connectors, regional airports, short-line railroads and port terminals. This requires a level of increased coordination and collaboration between state and local officials to ensure that the multimodal system continues to meet the needs of local and regional residents and businesses.

A growing number of states are tapping into the planning expertise and local official networks of regional development organizations to help form and staff locally-driven consultation models, often referred to as Rural Planning Organizations (RPO). Since 1998, the number of states with formal agreements or legislation either creating RPOs or utilizing existing regional development organizations

to deliver rural transportation consultation and planning services has risen from 17 to nearly 30. However, there are still nearly half of all states that lack a formal, well documented and transparent process for soliciting and considering the needs, views and priorities of rural local government officials.

The benefits of involving local stakeholders in the rural transportation planning process through either the creation of RPOs or utilizing regional development organizations, according to the National Academy of Public Administration, includes:

- Improved performance of transportation systems and better outcomes for end-users
- Stronger support for implementing transportation plans and programs
- Ability to craft better plans and programs that more accurately reflect local needs
- Increased trust in government that comes from an open and transparent consultation process

While RPO models in each of the nearly 25 states are different, they share many of the same duties. These include indentifying and ranking project priorities on a regional basis for consideration by the state, coordinating the input and participation of local government officials, conducting special studies and need assessments, and providing technical assistance to local officials. Each RPO is typically governed by a policy committee of state and local officials, along with a technical advisory committee of local public works staff, transit providers, modal representatives and citizen representatives.

It is becoming increasingly important in rural and small metropolitan regions that transportation plans and investments are coordinated and developed in concert with local and regional land use, economic development, housing and workforce development programs and plans.

The formal involvement of rural local officials in the transportation process provides a vital link to local economic development and land use activities. This underlying principle recognizes that state transportation policies and plans have an enormous impact on rural communities, especially as they relate to local economic development, land use management and workforce development efforts.

It is no longer sufficient for transportation planning to be focused on 'project lists' and technical needs developed in a vacuum, without regard to the local and regional challenges that arise from their development. Issues such as multimodal planning and public transportation, land use and development, freight transportation needs, and economic development are local and regional priorities that should occupy a key concern in the statewide transportation planning process. Rural local officials must play an active role in this process if we are to make effective use of our limited transportation resources.

In 2005 the Tennessee Department of Transportation, in partnership with the state's nine regional development organizations, formed 12 new RPOs to complement the 11 existing MPOs. The RPOs are tasked with facilitating the input and involvement of local elected and appointed officials in the state's planning and decision-making processes, as well as making recommendations to the state department of transportation on multi-modal transportation needs and short-term funding priorities.

While the Tennessee DOT is still ultimately responsible for statewide transportation planning, the RPO process is intended to serve as the primary tool to increase local input and to pursue a more comprehensive approach to multi-modal planning in the state.

Third and finally, Mr. Chairman, as Congress explores alternative project, program and planning financial resources beyond the Highway Trust Fund (HTF), we encourage you to take into consideration the unique economic conditions and capacity of our nation's regions and communities outside of the major metropolitan areas.

As has been previously reported by this committee, the US Department of Transportation's 2006 Condition and Performance Report estimates that between 2005 and 2024 the cost to maintain the current level of highway performance is projected at $78.8 billion annually, with $17.6 billion required for rural arterials and collectors and $11.5 billion for rural and urban local roads and streets.

The cost to significantly improve the system rises to $131.7 billion annually, with investment on rural arterials and collectors increasing to $28.2 billion and rural and urban local roads and streets rising to $19 billion.

The National Surface Transportation Policy and Revenue Study Commission's report indicates that a significant gap in transportation investment exists. The commission calls for an investment of between $225 billion and $340 billion annually, from all sources (governmental and private sector), to upgrade and improve all modes of surface transportation, which is far above the current annual investment of $85 billion.

This committee has researched a number of initiatives and proposals to finance transportation investments beyond the Highway Trust Fund, including bonding, the formation of "infrastructure banks," leasing, and public-private partnerships to overcome the shortfall of funds needed to improve and even maintain or current network.

However, there must remain a strong federal presence and safeguard to financing the infrastructure needs of rural and small metropolitan areas. Low population densities, inability to aggregate high amounts of demand and larger costs associated with both maintenance and improvements mean that certain nontraditional financing mechanisms that are economically feasible in more urbanized areas and high-demand roadways are most likely impractical in less dense and more rural areas. This does not mean that Congress and the administration should not pursue new funding mechanisms. It only means that federal policy makers should retain and enhance existing funding sources that are proven to work in our small metropolitan and rural regions.

Thank you again, Mr. Chairman and members of the subcommittee for the opportunity to appear before you today. I welcome any questions.