

Improving and Reforming our Nation's Surface Transportation Programs
To Support Job Creation and the Economy
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Good Morning Chairman Boxer, Chairman Mica and committee members. I am Anne Mayer, Executive Director of the Riverside County Transportation Commission. I am also Chair of the Self-Help Counties Coalition, which represents the 19 counties in California who have voter-approved transportation sales taxes programs. Thank you for conducting this meeting in Southern California and inviting me to speak before you today.

Southern California is so important as a region and so vast in terms of its size and impact that you could be here for weeks listening to our region's input on how vital the transportation network is to our future. It is vital not only to ensure workforce mobility but also to maintain and grow our vibrant economy.

The Southern California transportation network of highways and railways is an integrated system that is only as healthy as its weakest link. A failure on one part of the system impacts the entirety of the network. Our collective, proactive planning efforts have identified system needs in the billions of dollars. While many of us have significant locally generated sales tax revenues, it is also imperative that we have access to federal innovative financing programs such as TIFIA. As has become very clear in the past few years, the current program is insufficient to support the financing of critical infrastructure improvements. Improvements needed now; mobility needed now; jobs needed now.

Expand and Enhance TIFIA Now

I have one clear message for Congress on behalf of Riverside County, and I am sure on behalf of self-help counties and agencies across the country who have revenue streams and projects that are ready to go: *expand and enhance the TIFIA program now*. This program works and is far too limited for the massive amount of jobs that can be created, and the mobility goals that can be achieved for this country.

Let me offer several specific recommendations:

1. Expand the size of the TIFIA program immediately. TIFIA is one of the only programs where you can say that for every federal dollar -- ten more private, local, or state dollars are invested.
2. Allow up to 50% of project costs to be covered by TIFIA, including 100% of all pre-construction costs. Today, only one-third of project costs can be covered by TIFIA; raising this cap provides greater flexibility for agencies to finance large projects.
3. Ensure that TIFIA loans are made based on credit-worthiness and the project's contribution to a regional and national mobility system. Southern California's transportation network is extremely diverse and complex, yet each piece is dependent on the other and together all modes function as a system that keeps our region's -- and nation's economy moving. **TIFIA should be responsive to all of them.** Whereas L.A.

may need a subway and San Bernardino needs a truck corridor, and San Diego needs a border crossing, Riverside needs a major highway improvement. If one of these projects doesn't happen, our entire regional system fails. When Southern California fails, the rest of the nation fails. TIFIA cannot prefer one mode over another and must remain true to Congress' original intent: a financial tool based on credit-worthiness for projects with major impacts on regional and national mobility.

4. Allow TIFIA applicants to pay some -- or all -- of their credit subsidy. Jobs are delayed when credit-worthy, shelf-ready projects are rejected from TIFIA because the program budget is too small. Self-help counties like Riverside have revenue streams that can supply the credit-subsidy to otherwise worthy projects. In essence, I am suggesting that I be allowed to pay my own way into the program if my project is worthy at ZERO cost to the federal government. I believe this has the potential to revolutionize TIFIA.
5. Eliminate the "Springing Lien" provisions of the program, which have the potential of nullifying the subordinate debt status of TIFIA credit.

I believe all of these reforms will have broad national support and benefit countless projects; however, let me give you a very real example of a project close to home that can benefit from these ideas.

The State Route 91 Corridor Improvement Project is a \$1.3 billion extension of Orange County's *91 Express Lanes* through one of Southern California's most notorious corridors. It is paid for entirely by local taxpayer dollars. With a TIFIA loan it can go to construction by early next year. 18,000 jobs can be created in the near term while adding \$2 billion of economic output to California; save million of gallons of gasoline, and save the average commuter 75 hours per year of sitting in congestion. All of this can be achieved with only a \$44 million TIFIA partnership. I call that a "good buy." However, the 91 Project must compete to be one of only 4 or 5 projects that will be selected out of more than 3 dozen others around the country.

On March 1st we are submitting a TIFIA program Letter of Interest seeking a loan that will enable the 91 Project. The 91 Project has big impacts on California jobs and our livable communities. The 91 corridor is the mobility artery between Riverside, Orange and Los Angeles Counties. It also provides an important link to the rest of the Southwestern United States by connecting to Interstates 10 & 15.

This project is a poster child for the TIFIA program and a great example of the kind of investment crucial to our economy and creation of jobs. The TIFIA reforms mentioned earlier would ensure that this project can move forward without delay. More importantly, with greater access to this financial tool, agencies like mine will be more likely to invest our own local dollars on innovative and ambitious projects that I believe Congress wants us to do. The 91 Project is but one important example of many around the country, and I hope that you will consider adopting these changes as soon as possible. Moreover, our project is ready and could break ground next year. The economy has hit Riverside County especially hard and we continue to suffer from double-digit unemployment rates, and investment in better infrastructure will certainly bring a welcome return.

Riverside and San Bernardino Counties will continue to grow faster than the rest of California; this is an unavoidable fact and something that we openly embrace. Over 40% of all job growth in California between 2000 and 2006 occurred in Riverside and San Bernardino Counties.

Providing affordable housing is also an important goal, and with median home values at \$200,000 Riverside County has done so for many in the L.A. basin.

Sustainability and Environmental Goals Can be Met by Highway Projects

In terms of sustainability and the environment we can speak authoritatively that for Southern California, livability includes having a job and being able to get there without insufferable congestion; having options to use express lanes, express bus service, commuter rail, or ride-sharing. Sustainability and smart long-term planning is an important priority in shaping our communities. Senator Boxer has been an unwavering advocate and champion of reducing harmful emissions, protecting air quality and preserving sensitive habitat. When it comes to this issue, there are few better places than Riverside County for your committee to consider. Over a decade ago, Riverside County responded to its sharp population growth by launching the Riverside County Integrated Project (RCIP). This comprehensive planning effort incorporated transportation, housing and the environment together into one blueprint. Measure A has contributed over \$130 million to a key component, the Multi-Species Habitat Conservation Plan (MSHCP). To this day, the Riverside County MSHCP is the largest and most comprehensive of its kind in the nation. This integrated effort pays dividends to the environment, and also to our region's infrastructure and the drivers who use it.

Goods Movement Improvements Must Remain a Priority

Finally, I would like to briefly raise a long-standing issue that should not be forgotten just because of the downturn in the economy. Just as I spoke earlier Southern California's multi-modal network, one integral piece of that network is goods movement. I would like to highlight H.R. 526 by Congressman Ken Calvert. This bill is known as the ON TIME Act and provides a sensible means of providing needed funding for goods movement projects and does so in a way that will not unfairly impact economic activity, consumers or our nation's competitive standing. While there has been general agreement that there needs to be greater investment in freight-related infrastructure, Congress has yet to advance this legislation or similar bills. Given Southern California's role in international commerce, please consider H.R. 526 and the need to make freight investments a top priority.

The issue of goods movement is certainly relevant to the challenges faced by Riverside County on the 91 Freeway but also provides an important economic opportunity. The 91 corridor is one of three primary freight routes between the Port of Los Angeles and Port of Long Beach (POLA/POLB) and I-15 and I-10 (Figure 5). More than 40% of the nation's imported goods enter the United States through the POLA/POLB, which are then distributed to throughout the country. United States container traffic doubled over the past decade and is expected to nearly triple by 2030 according to studies completed in July 2009.

Southern California's rail lines and highways are already heavily congested, and with an expected 25% increase in regional population by 2030, port-related congestion problem will only get worse and will hit the 91. A recent study published by the United States Department of Transportation (USDOT) Bureau of Transportation Statistics identified traffic bottlenecks on the landside transportation system serving the nation's seaports as a critical impediment to the efficient movement of goods.

In 2005, the most recent year for which data on port freight activity and landside traffic delay are available, the POLA/POLB was the largest port in the United States and, at the same time, suffered from the worst congestion in the nation, averaging approximately 72 hours of annual traffic delay per traveler. Nowhere is this more evident than on SR-91, which has the worst peak-hour congestion of the three primary routes serving the POLA/POLB.

– POLA/POLB Freight Travel Time Comparison

POLA/POLB to I-15 East (Devore)	Distance	Travel Time (Off-Peak)	Travel Time (Peak)
Via I-10	75 miles	1:20	2:50
Via SR-91	78 miles	1:23	3:30
POLA/POLB to I-10 East (Banning)			
Via I-10	98 miles	1:45	3:10
Via SR-91	94 miles	1:42	3:40

H.R. 526 will generate a new source of funding for freight-related infrastructure, which is needed to avoid the potential of overwhelming mobility, environmental and sustainability improvements that are being contemplated in the new surface transportation authorization bill. In considering the passage of a new bill, I would urge that the expansion of the TIFIA program combined with an added funding source such as what is contemplated in H.R. 526 could be critical in addressing transportation needs in areas that play an important role in the nation’s economy – Southern California being a prime example.

In summary, self-help agencies like RCTC and the 18 other counties in California, as well as regional agencies across the country, have a proven track record of delivering projects that create jobs and meet federal policy goals if only they are given the tools and resources to do so. We know local and regional needs; we manage our system very well with what we have. We help ourselves as much as we can in spite of perennial state deficits and an uncertain federal future. However, this cannot go on forever. Federal partnership is needed, and needed now. Ambitious efforts by RCTC and other self-help agencies have accelerated projects so that many are ready for construction, but cannot proceed unless there is a federal component. Keep in mind that federal “partnership” doesn’t always mean we are looking for a hand-out from Uncle Sam – although we will never turn down the opportunity to receive that kind of support. Financial tools to leverage our own revenue streams will make the most of limited funds, ensuring job creation, congestion reduction, and environmental stewardship. Stepping up and taking responsibility for a truly federal issue in international and interstate commerce will pay huge dividends by bolstering America’s economic competitiveness. I encourage Congress to find common ground on a surface transportation bill now. Give us the tools; we are ready to go.

In closing I want to thank you once again for conducting this hearing in Southern California and for your leadership in advancing our nation’s transportation policy.