

Testimony of Robert G. Burleson

President, Florida Transportation Builders Association

Before the House Transportation and Infrastructure Committee Field Hearing on

Improving and Reforming our Nation's Surface Transportation Programs

Maitland, Florida

March 14, 2011

Good morning, Mr. Chairman and members of the Committee. My name is Bob Burleson and I am the President of the Florida Transportation Builders' Association, a trade organization representing contractors, engineers, equipment dealers, material suppliers and many other businesses having an interest in transportation construction. I reside in Tallahassee, Florida. I appreciate the opportunity to testify at this field hearing and I am particularly honored to appear before you, Mr. Chairman, in our home state of Florida. I have represented the members of FTBA for 22 years. Prior to that I spent over 15 years as a roadbuilder in a family-owned company working around the Southeastern US.

The main concern for our industry is the uncertainty of funding which is making it extremely difficult for contractors and Florida DOT to plan and program projects over the next several years. Contractors are currently postponing decisions such as purchasing new equipment or hiring new employees because they are unsure of the direction the program will go. Most contractors in Florida are operating at less than 50% capacity and with a work force that has been reduced at least 40%. Unemployment within our industry exceeds 20%.

Timely enactment of a multi-year surface transportation reauthorization bill with dedicated and predictable levels of funding for maintaining and constructing our Nation's highways is critical to restoring confidence in our industry and is also, in my opinion, key to our economic growth and job creation throughout the United States.

We cannot afford to neglect our nation's infrastructure as our competitor's around the globe pour more money into improving their own transportation networks. I certainly understand that asking for increased investment in transportation infrastructure at the same time Congress is trying to decrease overall spending and reduce our deficit is difficult. I believe, first and foremost, we must get our deficit under control. There is no greater threat to our country than our rising debt. I attended the last hearing of The National Commission on Fiscal Responsibility and Reform and I agreed with their recommendations for reigning in our spending and dealing with our deficit.

We must align our transportation spending with the revenues coming into the Highway Trust Fund. As with all other areas of both our personal lives and government we have to live within our means. Some

day in the future I hope we will seriously address the need to increase those revenues. Until that time we cannot spend more than we take into the trust fund. That requires us to set priorities, streamline the process and work smarter. I recognize that transit plays an important role in moving individuals from place to place, particularly in our urban areas. I would ask that you consider allowing the Highway Trust Fund to revert back to its original purpose of building and maintaining our interstates and other federal highways. Our current revenue stream cannot pay for both our highway needs and our transit needs. Transit is needed and deserves a dedicated funding source of its own. Until that is established transit should obtain its funding from General Revenue. That would provide an immediate 25% increase to highway funding.

The program should be prioritized to fund our Interstates and Federal Highways. We must protect and maintain the investment we have in our national highway system. I urge you to minimize the number of funding categories and federal programs through which funds are distributed. Require states to maintain a high level of service and quality on our federal system as a first priority. Next, the remaining funds should be dedicated to widening and improving the existing system along with adding new location roadways where possible that achieve the maximum benefit to moving both people and goods around Florida and around the country. We cannot afford to fund "non-basic" items such as landscaping, bike paths, transportation museums to name a few, in these economic times.

Much has been discussed about Public, Private Partnerships or PPP's. How do we maximize private investment in transportation? Florida has been a leader in PPP's. PPP's have allowed us to undertake some projects years earlier than otherwise might have occurred. I support the continued use of PPP's. They are, however, not the total answer for all our funding needs. Private investment expects a return. This return currently comes from one of two sources: tolls or availability payments. In Florida we use tolling extensively. In many cases the tolls will not completely fund a project but they will allow for a project to move forward sooner. We must allow tolling of any *added* capacity on our interstates and other major federal highways. These tolled lanes provide better traffic flow in our urban areas.

We cannot view PPP's as only a source of capital for future projects. The PPP's must bring their own revenue source-generally, tolls- to the table. Simply speeding up the start of a project by "borrowing" money from a private investor with the only source of repayment to the investor being future year's revenue does not create a bigger pool of funding. We simply kick the can down the road and are left with a program that only makes debt service or availability payments, but allows for no new work for bidding in outlying years. A moderate use of PPP's with only availability payments and no toll revenue may be okay but is not sustainable as our only future funding source. Like bonding, PPP's, absent their own revenue stream, don't deal with the real problem of more funding. As I have said before, now more than ever, we must pay for what we do. There is no free lunch and certainly there are no free roads. Private investors must be given other reasons to become involved. We need to be much smarter about trading potential development rights for investment; while at the same time not trampling on private property rights.

Moving beyond funding into other areas, the past two surface transportation reauthorization bills have included project streamlining provisions and, to date, projects still take nearly two decades to complete.

According to a report by the U.S. Government Accountability Office (GAO), as many as 200 major steps are involved in developing a transportation project from the identification of the project need to the start of construction. In order to have measurable improvement in the review and approval process, DOT must be given the authority to impose time limits on other agencies involved in the process. Permits and other decisions on non-DOT controlled issues should be completed in 180 days or less. Duplicative requirements in the transportation planning process and NEPA must be eliminated. A study should not have to be re-done if the transportation planning process has already yielded usable information. I hope that this bill will contain some real progress in streamlining project delivery.

I am not sure exactly how the Committee works with other committees on areas such as Davis Bacon. In Florida, early in 2009 we received new wage rates in the Highway, Heavy construction area. Many of the rates are fine and make perfect sense. Other rates, however, are way out of line. We have examples where the mandated rate for a laborer is greater than the rate for a crane operator. To me at least, that makes no sense. FDOT actually received a comment back from the Department of Labor saying not to confuse them with the facts-the rates were the rates! These types of wage decisions only serve to raise costs when we need to use our resources as wisely as possible.

Finally, the federal gas tax has served us well for a long time as a funding mechanism. In today's environment of cars becoming more fuel efficient, alternative fueled vehicles and a national policy of reducing our dependence on foreign oil, we need to find a new revenue source. It must continue to be a true user fee. It must include a way to charge alternative fueled vehicles. I would encourage the Committee to consider a serious study of VMT (Vehicle Miles Traveled) as our new funding source with a goal of going to a VMT system nation-wide by 2020.

Mr. Chairman, I really appreciate this opportunity to offer testimony. I wish you luck in developing a multiyear bill that will be adopted as soon as possible and certainly before another extension is required. I know you will be successful.

## BIO FOR BOB BURLESON

Bob Burleson, is a native of Johnson City, Tennessee, and grew up in the construction industry, which he has never left.

During high school, college, and upon graduation with a B.S. in Building Construction from Virginia Tech in 1970, Bob worked for his dad's company, Burleson Construction Company, which specializes in commercial construction. In 1972, he decided that building roads and bridges was more interesting than buildings, so he moved to Roanoke, Virginia, and joined his grandfather-in-law's construction company, Wiley N. Jackson Co., a major road builder in the southeast. With offices in Orlando and Jacksonville as well as northern Virginia, he often was on the road but was stimulated by the variety of jobs, challenges, and experiences he encountered. He remained an integral part of company until it was sold in 1987.

Bob accepted the position of President of the Florida Transportation Builders Association (FTBA) in January 1989 and remains in the position today. He is heavily involved in transportation issues both statewide and nationally and is a highly-respected and effective lobbyist for the industry.

Before coming to FTBA, Bob was active in the American Road & Transportation Builders Association (ARTBA) and received the prestigious ARTBA Award in 1986 while he was still a contractor. He currently serves on the ARTBA/AGC/AASHTO Joint Committee that meets annually to discuss national transportation issues.

In 1997 Bob received the Golden Eagle Award by the Floridians for Better Transportation

Bob's greatest love is, without question, his family. He and his wife, Beverly, are blessed with three sons, two wonderful daughters-in-law, and four grandchildren, the loves of his life. His other passions include his friends, Virginia Tech, and sports. He attended Virginia Tech on a tennis scholarship and was an avid Hokie from the very beginning. After graduating, he became active in several alumni activities, including serving as President of the Virginia Tech Athletic Fund, a member of the Virginia Tech Educational Foundation, and on the Virginia Tech Athletic Board.

Sports have been a part of Bob's life since childhood, and having three sons intensified that passion. He has given up tennis for golf and looks for any opportunity possible to conduct a "turf inspection." Be it participating, watching, or reading about the successes of athletes, his wife acknowledges that sports are an addiction for all the men in her life.

In August 2008, Bob's sons honored him with the establishment of the Bob Burleson Presidential Scholarship, a part of the FTBA Scholarship program. The individual selected to receive the Bob Burleson Presidential Scholarship, will receive \$1,500.00 a year for four years to help further their education. As his son's enthusiastically describe him, "He is always 100% committed to everything he does. He thinks about other people before he thinks about himself. And respect, honesty, and integrity are essential traits of who he is; he strongly believes that, at the end of the day, all you have is your word."

On October 29<sup>th</sup>, 2008 he was presented the CUTR's 2008 Transportation Achievement Award which was presented to him in Tampa.

His most recent accomplishment was receiving the Nation's Highest Place of Honor in the Transportation Construction Industry; The ARTBA-TDF's Inaugural Hall of Fame class. He was one of three industry champions that received the nation's highest honor. Bob has dedicated the last 40 years of his life to the transportation construction industry.

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

*Truth in Testimony Disclosure*

Pursuant to clause 2(g)(5) of House Rule XI, in the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include: (1) a curriculum vitae; and (2) a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by an entity represented by the witness. Such statements, with appropriate redaction to protect the privacy of the witness, shall be made publicly available in electronic form not later than one day after the witness appears.

(1) Name:

Robert G. Burleson

(2) Other than yourself, name of entity you are representing:

FL Transportation Builders' Association

(3) Are you testifying on behalf of an entity other than a Government (federal, state, local) entity?

YES

If yes, please provide the information requested below and attach your curriculum vitae.

NO

(4) Please list the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by you or by the entity you are representing:

None

Signature



Date

3/11/11