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Via e-mail:
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The Honorable John Mica
Chairman, House Transportation and Infrastructure Committee
2187 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Mica:

Thank you for the opportunity to testify at your committee's field hearing in DuPage County, Illinois, on February 20, 2011. Attached is written my testimony, and of course my spoken remarks will be very brief, as requested by your staff.

I will be testifying on behalf of the Chicago Metropolitan Agency for Planning (CMAP), which represents the seven counties that make up our region. The new GO TO 2040 comprehensive regional plan, which was approved unanimously last October, includes strategic recommendations for policies and investments to strengthen our region's economy and 284 communities. Its four primary chapters are Livable Communities, Human Capital, Efficient Governance, and Regional Mobility. Our belief is that these issues must be looked at comprehensively to ensure the maximum public benefit of implementing GO TO 2040.

Transportation is of course a central element of our plan, because it drives economic prosperity and significantly affects quality of life. These overarching goals inform our plan's specifics, and they likewise shape my testimony's recommendations for how Congress and the administration should go about the important task of formulating a new transportation bill to replace SAFETEA-LU. I look forward very much to this Sunday's opportunity to hear your thoughts and to discuss how metropolitan regions like ours can help achieve your aims for the nation.

Sincerely,

Randall S. Blankenhorn
Executive Director

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TG:RSB/stk

The Chicago Metropolitan Agency for Planning (CMAP) thoroughly understands the budget realities that officials in Washington must face. CMAP is the Metropolitan Planning Organization for the northeastern Illinois counties of Cook, DuPage, Kane, Kendall, Lake, McHenry, and Will. CMAP developed and now leads the implementation of GO TO 2040, metropolitan Chicago's first comprehensive regional plan in more than 100 years.

GO TO 2040 is founded on the importance of setting clear priorities for policies and investments at all levels of government. Achieving efficiency and coordinating investments are among the plan's fundamental goals. In that regard, reauthorization of federal transportation legislation provides a rare opportunity to streamline the processes that U.S. and state departments of transportation use to carry out infrastructure projects that are crucially important to our economy. CMAP encourages Congress and the administration to address and support the role that major metropolitan areas have in the nation's transportation network. GO TO 2040 stresses coordinated investments, efficient government, and performance-based goals. To address anticipated population growth of more than 2 million new residents, GO TO 2040 establishes coordinated strategies that help the region's 284 communities address transportation, housing, economic development, open space, the environment, and other quality-of-life issues. See www.cmap.illinois.gov for more information.

Reauthorization Priorities

Leaders in Washington should give highest priority to the following overall policy objectives in crafting and implementing a new federal transportation bill:

Accountability. Institute national goals and objectives for all the federal transportation programs and establish accountability to them through specific performance measures. Metropolitan planning organizations that are inclusive of all stakeholders should be given the responsibility for setting the performance targets and identify the strategies to reach those targets. Funding commitment levels should be tied to regional performance in meeting the targets.

Regional Comprehensive Programming and Planning. Transportation does not operate in a vacuum so the prioritization of projects necessitates a regional perspective that takes into consideration economic development, housing, land use and the environment including climate change. Dedicate funds to the planning and programming of transportation infrastructure that are inclusive of these different objectives.

Funding Commitments Set funding levels that can meet the demands for preservation and renewal of the current transportation system and allow for strategic capacity increases for all modes. The nation's ability to do so will determine our position in the global economy, to improve the environment, to reduce our energy dependence on fossil fuels and to improve our quality of life.

Sustainable Revenues. Identify new revenue streams that will supplement the current motor fuel tax or replace it. Any new revenue sources should be constructed in a manner that gives them flexibility to adapt to shifts in market forces.

National Vision. Establish a method to formulate a national freight plan that can guide regional and state efforts to improve the freight systems. Create a systematic funding program for freight improvements. Establish a national plan for the development of inter-metro passenger rail service considering both high-speed rail along with standard services that link our nation's economic engines. This will help alleviate interstate highway and airport congestion and provide redundancy for the times when other parts of the national transportation system are overburdened.

Increase the Gas Tax and Index it to Inflation

When the U.S. Chamber of Commerce and AFL-CIO agree on an issue, it is worth noting. This week they stood together in urging an increase in the gas tax to fund necessary infrastructure. In GO TO 2040, CMAP has called for the gas tax to be increased and -- importantly -- indexed to inflation. In the two decades since the federal gas tax was last increased, its value as a revenue source has been eroded constantly by the increasing costs of construction. Had it been indexed in 1990, the federal gas tax would have naturally risen from 18.4 cents per gallon to over 32 cents, which would have created a firm foundation for our nation's transportation infrastructure. GO TO 2040 emphasizes user fees that tie infrastructure funding to how people actually use the system. The gas tax is one such user fee that is already in place.

Streamline the Project Delivery Process

Before becoming CMAP's first executive director in 2006, I worked for more than 20 years at the Illinois Department of Transportation. Each of us in this field has our own favorite examples of how inefficiencies caused projects to take too long and cost too much. Reduction and consolidation of the programs within USDOT is a major part of the solution. There are quite simply too many distinct programs. Equally important is to ensure the *coordination* across programs, and across all levels of government. The common factor in most stories about the need for streamlining is a painful lack of coordination.

For example, we have a new CTA Yellow Line station in Skokie, a northern suburb of Chicago, but the process that led to it was laborious. It was funded through a CMAQ grant to the village, which completed Phase II engineering and then got caught in a bureaucratic "no man's land" in which various federal and state agencies declined to take responsibility for project management. Because CMAQ is a federal highway program and FTA doesn't deal with local governments, only transit agencies, the project began with oversight from FHWA. After the environmental process was completed, FHWA determined that the project should actually be under the jurisdiction of FTA as a transit related investment. For FTA to take the project over, the EIS would have to be reopened to address additional issues. By working through our congressional delegation, Skokie eventually convinced FHWA to remain as the lead agency. The station finally opened last June, but the village engineers who brought the project to completion swear they will never again undertake such a project.

As a more positive example, throughout 2008, the federal Surface Transportation Board (STB) reviewed the then-proposed Canadian National Railway Company's (CN) acquisition of the EJ&E-West Company (EJ&E). While, from CMAP's perspective, the review did not adequately consider the regional economic benefits, I have to say that it was conducted expeditiously and, most would say, fairly. A record of decision was reached in 12 months.

Make Freight a High Priority

By any reasonable measure, metropolitan Chicago is the nation's freight hub. Six of the nation's seven Class I railroads have major terminals in Chicago. Nearly 500 freight trains per day operate here. In 2007, regional tonnage was estimated at more the 631 million tons, with about 24,000 trailers and containers daily and about 16,800 carload units daily moving into, out of, or through the region. CMAP also estimated that 1.472 billion tons of freight was moved by truck in 2007. The railroads move \$350 billion, and trucks move \$572 billion in goods to, from, or through the region each year.

But our current rail and road networks are not equipped to handle volumes forecast through 2040, potentially compromising the region's and nation's position in the global economy. Rail freight moving to, from, and through our region will increase by more than 60 percent by 2040, with intermodal volumes growing even faster. Freight carried by truck in the region may grow by more than 70 percent.

In 2008, roughly 236,000 of the region's jobs (4 percent of total private sector employment) were in the transportation and warehousing sector. These jobs provide more than \$13 billion in personal

income for our region's residents. That is a microcosm of freight's importance to our nation's economy.

In the metropolitan Chicago region, we have a strategic public-private effort called **CREATE (Chicago Region Environmental and Transportation Efficiency)**, a program to invest billions in critically needed improvements to increase the efficiency of the region's freight infrastructure and the quality of life for residents. This program is a first-of-its-kind partnership between U.S. DOT, the State of Illinois, City of Chicago, Metra, Amtrak, and the nation's freight railroads. CREATE is the poster project for an approach that provides funding for projects that have national impacts on the movement of people and goods and on our national economy.

CREATE reached a \$100 million grant agreement with U.S. DOT and the Illinois DOT in July 2010 to begin work on five projects. In just five months, all of the federal funds were obligated, a great example of partner commitment to the program. Despite this and other substantial progress (10 projects completed to date), CREATE needs to prioritize the remaining projects and aggressively secure funds to implement them. CREATE was established long before TIGER existed, and it needs continued support as part of a coordinated national policy for freight. While our local and state government partners, along with the railroads, continue to provide substantial support to this project, we will need a strong federal commitment to reap all of the national benefits of CREATE.

Transportation Trends and Challenges

To assert that our nation's transportation infrastructure is broken would be an overstatement, but there is much that needs to be done to bring it into a good state of repair. According to the U.S. Department of Transportation, 27 percent of the bridges across the country as of December 2008 were listed as structurally deficient or functionally obsolete. Congestion in the major metropolitan areas is costing the nation \$87 billion a year in wasted fuel, lost time, and vehicle costs as reported in the Texas Transportation Institute's 2009 Urban Mobility Report.

The current federal motor fuel tax is not able to replenish the Highway Trust Fund at adequate levels to meet the demand for transportation investments. The National Surface Transportation Infrastructure Finance Commission estimated that the average annual capital needs for the country's highway and transit systems between 2008 and 2035 will be \$96 billion per year, but the current revenue levels will only meet 33 percent of that need at \$32 billion per year.

Congestion problems in metropolitan Chicago are severe, with the region holding the unflattering national ranking of having the country's worst congestion. Metropolitan regions drive the economy of the U.S. They are home to 80 percent of the nation's population, and they generate 85 percent of the gross domestic product. As the population centers and economic engines of our country, metropolitan areas must be a focus for the mobility of people and goods.

Among CMAP's top priorities is to increase the commitment to transit. For more of our residents, we need transit to be the first option instead of the last. As a region, we are in a sense penalized because we are being prudent in emphasizing, through GO TO 2040, modernization and maintenance rather than expansion of the transportation system, including transit. The federal New Starts process emphasizes expansion, sometimes without adequate consideration for how those projects will be maintained over the long term. That process should be reformed to include support for established systems like ours where taxpayers' interests are best served through modernizing rather than expanding.

GO TO 2040 also encourages federal support for high-speed rail, but new spending on high-speed rail should not come at the expense of support for regional transit. Our plan includes support for transit projects that would benefit from but by no means depend upon the advent of high-speed rail.

Summary of Reauthorization Priorities

To summarize, CMAP recommends that Congress and the administration pursue the following transportation reauthorization priorities:

- Provide transportation investments based on regional priorities using performance-driven criteria that lead to decisions that are transparent, outcome-based, and mode-agnostic.
- Evaluate and prioritize infrastructure investments in a comprehensive way that looks beyond transportation benefits to include land use, economy, environment, and other quality-of-life factors.
- Provide adequate federal investments in the nation's transportation systems.
- Reform the transportation funding system by placing a new emphasis on sustainable revenue sources.
- Establish a national transportation vision that includes the movement of goods and the development of a national high-speed rail network.