

Remarks by Gregory G. Nadeau, Administrator, FHWA

Future Interstate Study Panel

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INTRODUCTION

Good morning, and welcome everyone!

Chairman Augustine, Secretary Mineta, and members of this important Committee.

It's my great pleasure to represent Secretary Foxx and all my colleagues at USDOT and the Federal Highway Administration.

On behalf of the Secretary, let me thank you in advance for your willingness to serve.

Over the past 60 years, the Interstate Highway System has re-shaped the American landscape – helping create suburbs where none existed before and allowing our economy to grow and prosper.

The Interstate System may be the most important economic development tool this nation has ever had.

But you also know the challenges the Interstate system currently faces.

The system is less than 10 percent longer than it was 60 years ago – but the number of drivers using it has **TRIPLED** and the vehicle miles traveled has **QUINTUPLED**.

Congestion – much of it on the Interstates -- costs American companies more than \$27 billion each year for trucks alone, raising prices on everyday products.

The overall cost to the economy is \$121 billion, according to the Beyond Traffic report.

And so you know the enormous stakes that ride on what this distinguished committee is about to undertake.

Thank you for inviting me to share with you of a few thoughts about the task ahead. You can be assured of the support you need from the FHWA and our team joining us here today.

BEYOND TRAFFIC

The Secretary's Beyond Traffic report has really helped frame the discussion about the future of not just our Interstate system, but our entire transportation infrastructure.

It's done what the Secretary hoped it would do – namely, to start a serious conversation about where our country is headed.

And it's brought a much-needed sense of urgency to the work that lies ahead.

Beyond Traffic looks 30 years into the future and creates a picture of what the United States will look like and what our needs will be.

First, it projects that the United States will be home to 70 million more people.

To put that in some context, it's equal to adding the current populations of New York, Florida and Texas COMBINED.

I often joke that not all these people will be teleworking.

Or, as the Secretary puts it, these new people are going to want to move around just like the rest of us.

Second, the demands on our freight system will grow substantially over the next 30 years.

Beyond Traffic projects that we'll need to move 45 percent more freight than we do today – and, no, it won't all be delivered by drones.

I describe the situation as a “tsunami” of people and goods headed our way.

Unlike a real tsunami, this one comes with plenty of warning that actually gives us the chance to respond in one of a couple of ways.

We can fail to prepare and invest, allowing the tsunami to overwhelm our transportation system, choke our economy and diminish our quality of life.

Or we can make the necessary plans and investments and take advantage of the latest technologies so that more people and more freight help our economy grow -- and allow our children and grandchildren to prosper in an increasingly competitive global economy.

But the issue is not just about handling more capacity, expanding the Interstate footprint or simply building our way into the future.

We also have to make sure we have the transportation infrastructure that's able to meet the needs of new population patterns.

According to Beyond Traffic, our population will be clustered in 11 mega-regions, mostly along the East and West coasts, the Upper Midwest and the Gulf Coast.

These mega-regions will be home to about 75 percent of the country's population.

I've asked our Office of Policy Studies, led by Mary Zimmerman, to conduct an analysis to see how this concentration of people will impact the 12 largely rural states in the central part of the country.

Will the rail and highway networks in these rural states be able to accommodate the movement of agricultural products and manufactured goods to the mega-regions?

We'll soon complete this work and happily make it available to you.

The results thus far are quite interesting.

If we don't add any capacity, the share of congested highways in the mega-regions will double from 12 to 25 percent.

In many highly congested corridors, technology solutions will be a game changer for safety and mobility, more passenger options like high-speed rail and transit will be essential, and a multi-modal systems approach to moving freight will be critical.

But in the rural states that are critical to feeding and supplying the nation, the proportion of congested roadways will grow even faster – quadrupling from 2 percent to 9 percent.

The impact of this congestion will ripple across society – in safety, travel time, environmental quality, economic competitiveness, quality of life and higher consumer prices.

And so, it's important that any consideration of the future of the Interstate, take into account the projected demographic and other trends.

INVESTMENT

Investment is clearly the area that cries out for tough choices by our policy-makers, the people who have directed this work to be done by this Committee.

It's obvious to everyone that we're not investing enough, but there's no consensus around how to find additional dollars.

Per capita highway spending in this country – adjusted for inflation – is 25 percent lower today that it was in 1970.

One of the phrases you hear a lot in the funding debate is “long-term funding certainty.”

Our state and local partners obviously need to know when they start planning a project that the money will be there to take the project over the finish line.

We've worked with our state and local partners to make tremendous progress in shortening project delivery, but it still takes years to get projects from concept, through the planning stages, through the approval process and to completion.

Frankly, the definition we use today to describe “long-term” isn’t really very long-term at all.

MAP-21 gave us 27 months of certainty, but was much more transformative on the policy side with its focus on performance measurement.

In terms of funding, it was more of a place-holder.

Now, we’re working to implement the five-year FAST Act, considered to be our nation’s first long-term transportation bill in a decade.

But with our system facing such tremendous needs, will a five-year window still meet the definition of “long-term” in the future?

It may be time to re-define what that really means, especially when we have a good sense of what our needs will be 30 years from now?

Just for comparison, I was in the Netherlands earlier this year to meet with my Dutch counterpart, Jan Hendrik Dronkers.

He already knows the level of basic system investment capital he’ll have available through 2028!!

That may be asking too much in our political system, but I do think we need to think about ways to re-define what we mean by long-term.

We also need to take a look at where the funds come from – historically based on a principal user fee, the gas tax.

This is an area where there are no easy solutions – certainly not politically easy.

For the past 23 years, we’ve relied on a gas tax of 18.4 cents per gallon for highways and transit.

In the spring of 2014, the President sent the GROW AMERICA Act to Congress.

It was a six-year bill that would have provided \$317 billion in highway funding – a significant increase over what we were spending at the time.

As you know, the bill that finally emerged from Congress – the FAST Act – came in below that number, although it’s certainly an important step forward.

But GROW AMERICA contained an interesting proposal when it came to investment.

It would have supplemented the gas tax with a tax on the foreign earnings of US companies – so-called repatriation.

Congressional leaders from both parties said at the time that variations of the concept of repatriation merit serious consideration.

It was a clear sign that innovative funding solutions are also likely to be part of our transportation future.

The FAST Act also included a grant program which USDOT and FHWA are administering that will fund pilots on alternative funding mechanisms.

USDOT has granted \$14 million in eight states for this pilot.

Whatever solution we ultimately land on, the funding gap is a daunting one.

A number of stakeholders have weighed in with projections of the size of that gap, and there's a certain degree of consensus about where things stand.

The Conditions and Performance Report, published annually by FHWA, estimates the nation's needs for highways and transit.

It projects that the United States needs to invest \$1.7 trillion over the next ten years to maintain, improve and expand our system.

AASHTO and ASCE put the figure at \$2 trillion, the difference being their figures include railroads.

The point is, we have what Secretary Foxx calls a "massive" funding gap to fill.

And he takes an all-encompassing view when it comes to filling it.

He says we don't have the luxury of being "single-minded" in our approach, but instead need to consider what he calls "all-of-the-above" solutions – including more public-private partnerships.

As he puts it, no one builds a road or bridge BY themselves or FOR themselves.

We do these things together because they're important to everyone.

And so the funding solutions need to involve everyone as well – including the private sector that relies on a safe, sound, efficient infrastructure as one of the keys to its success, and for the creation of private sector jobs.

FREIGHT

Beginning on February 9 – two days after the Super Bowl – I started holding a series of Beyond Traffic Freight Economy roundtables in cities across the country.

The one we hold in St. Louis next Monday will be our 24th and final one!

These have been very informative dialogues among all the freight stakeholders – the federal, state, local and regional government transportation leaders, members of Congress and Mayors, shippers, manufacturers and people from the growing logistics industry.

They all represent important players in the future growth of what I call the freight economy – an economy that creates millions of jobs in this country and an economy that can't continue to thrive without a strong multi-modal infrastructure to support it.

In every city we visit, we hear about the challenges faced by the participants in the freight economy -- the chokepoints and bottlenecks that drain so much time and money out of our economy every year.

The interstate highway system is always the key link to getting goods from the port and the plant to Main St.

In many places we've visited, we learn that freight volume is expected to grow even faster than the 45 percent projected for the nation as a whole in Beyond Traffic.

We're going to take the findings from these roundtables and synthesize them into a series of documents and a digital platform aimed at providing the transportation community and the public information about America's freight story.

We'll be happy to make that work available to this panel as well.

One of the most striking features of every roundtable is when we talk about projects that are essential to meeting future freight movement demands for an entire region or state, but can't get off the drawing board because there's no funding.

For example, in Atlanta, we learned about a proposal to build two dedicated truck lanes on busy I-75 from McDonough – which is south of Atlanta – to Macon.

These lanes would improve safety and mobility for truckers and all of us who share the road with them – and help businesses in the Southeast operate more efficiently and competitively.

The project is in the state's ten-year major mobility investment plan.

But they haven't identified all the funds.

Then there's the proposed widening of the Abernethy Bridge in Portland, Oregon – part of a larger project to widen a section of the I-205 corridor.

This project would reduce congestion on the interstate, improving the safety and mobility of people and freight.

And it would improve access to the critical Clackamas shipping and distribution hub and the Portland airport.

Funding has not been identified.

We've been hearing stories like these all across the country.

Not all of them involve the Interstate directly. Some of them are multi-modal hubs or other links in the freight movement chain.

But they're examples of what the funding gap is all about and how it's impacting the job-producing engine known as the freight economy.

CLIMATE CHANGE

In planning for the future, we also need to take into account the impact of climate change and extreme weather events on our transportation infrastructure.

Our transportation system regularly endures searing heat, ice storms, blizzards, flooding and other extreme weather.

And these events are becoming more frequent and severe as our climate changes – impacting the safety, reliability, effectiveness and sustainability of our transportation system.

While Hurricane Katrina and Hurricane Sandy are the most dramatic recent examples of widespread, regional devastation, we should not think climate change is only something for coastal states to worry about.

The people of the Eastern Seaboard and the Eastern Pacific Coast are being reminded of this type of weather event as we speak.

Thank goodness, these current storms are not as devastating as they could have been. But they're still affecting the lives of hundreds of thousands of people and many businesses.

Over the past several years, 48 of the 50 states and the District of Columbia had presidentially declared disasters.

Currently, we're in the process of helping the people of Baton Rouge, Louisiana recover from what climate experts consider a 500-year weather event.

And I recently returned from a regional AASHTO meeting in a part of West Virginia devastated by flooding earlier this year.

All of which points to the need to consider highway resiliency as a national concern, not something limited to geographic areas that are historically subject to flooding or other events linked to climate changes.

Continuing to address greenhouse gas emissions from the transportation sector (one of the largest contributors) by policy and practice is essential.

CONNECTING COMMUNITIES

One of the most important opportunities you have in planning for the future is to consider how to address what I call the “sins of the past.”

It’s not often people get a second chance to make something right – but we do when it comes to the Interstate.

Secretary Foxx has started a national conversation about the link between transportation and opportunity.

He encourages us to think of transportation not just as a way to get from Point A to Point B, but as a Ladder of Opportunity linking people safely and efficiently to a job, an education, their doctor or to anything that impacts their quality of life.

But there’s a flip side to this coin.

In many cases, the same Interstate that allowed people to breeze to work from their home in the suburbs to their job in the city, cut off the urban, often poor and minority neighborhoods in its path.

These neighborhoods were bearing the brunt of transportation decisions that provided Ladders for some, but at their expense.

Secretary Foxx has made a lasting contribution by putting this subject high on the public agenda.

This is not just a professional issue for the Secretary – it’s also intensely personal.

He grew up in a neighborhood in Charlotte, North Carolina that was essentially trapped by two Interstates.

This severely limited access to the neighborhood and discouraged grocery stores and pharmacies and other businesses from opening there.

It also had a psychological impact – giving the people who lived there a sense that they were “second class citizens.”

This problem was certainly not limited to Charlotte and it wasn’t just because of Interstate highways.

There are examples in history where airports, railroads and transit have divided communities, damaged local businesses and cut people off from the opportunities they deserve.

As we look to the future and make transportation decisions that will have long-lasting impact, the Secretary urges us to consider both the big picture and the small picture – the macro and the micro perspectives.

The big picture, of course, is the Interstate's unquestioned role in supporting the national economy and connecting this vast nation together.

But on the "micro" side, we need to take into account the impact – often harmful – it has on individual neighborhoods and communities.

We have the chance to do that now – faced with an infrastructure that needs so much rebuilding and replacement.

We have a chance to rebuild the system so it works for everyone in all communities – connecting people to opportunity without harming people in its path, and building projects by, for and with the input of communities impacted by them.

This is critical for economic and community development in America's cities and towns.

There's already some outstanding work being done in this area.

In Texas, TxDOT is doing a comprehensive survey of all the major roads in the Dallas area and coming up with options for preparing them for the future.

As part of that effort, TxDOT has been reaching out to community and stakeholder groups to get their input and hear their concerns about some of the proposed solutions.

For example, the state is considering what to do about I-345, an elevated highway built in 1974 that carries about 200,000 vehicles every day.

TxDOT is looking at a range of options for repairing or replacing it – the same kind of discussions that are taking place in cities all across the country.

One of the ideas under discussion is to remove the elevated road and replace it below grade to help "stitch" neighborhoods back together.

There's a long way to go before a final decision is reached.

But an important discussion is taking place – one that isn't just focused on GETTING places better, but also on MAKING places better.

Not far from where we sit, in Southeast Washington, a new 11th Street Bridge project reconfigured a major interchange and included the addition of a new bridge that separated local traffic from freeway traffic.

This local bridge has re-connected Capitol Hill with the historic Anacostia neighborhood.

And in Columbus, Ohio, a major re-build is underway in the I-70/I-71 corridor, one of the busiest highway segments in the region.

The work includes a new Long Street Bridge over I-71.

The bridge offers a pedestrian link between the Discovery District and the King-Lincoln area, which was once a thriving hub of the city's African American community until it was cut off by the construction of I-71 back in the 1960s.

The new bridge contains a Culture Wall that celebrates famous figures and events from the community's past.

And community leaders hope it links the community to a revitalized future.

The Secretary has called upon all of us to accept the challenge and make the kind of transportation decisions by which all communities will benefit.

CONCLUSION

So those are some ideas I offer for your consideration.

I'd be happy to take your questions before turning things over to Michael Trentacoste, our Associate Administrator for Research, Development and Technology.

Michael will be able to go into a lot more detail on some important issues.