RECOVERY ACT: 10-WEEK PROGRESS REPORT FOR TRANSPORTATION AND INFRASTRUCTURE PROGRAMS

(111–26)

HEARING

BEFORE THE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE HOUSE OF REPRESENTATIVES

ONE HUNDRED ELEVENTH CONGRESS

FIRST SESSION

APRIL 29, 2009

Printed for the use of the
Committee on Transportation and Infrastructure

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April 27, 2009

SUMMARY OF SUBJECT MATTER

TO: Members of the Committee on Transportation and Infrastructure

FROM: Committee on Transportation and Infrastructure Staff

SUBJECT: Hearing on "Recovery Act: 10-Week Progress Report for Transportation and Infrastructure Programs"

PURPOSE OF HEARING

On Wednesday, April 29, 2009, at 11:00 a.m., in room 2167 Rayburn House Office Building, the Committee on Transportation and Infrastructure will hold a hearing to examine progress to date on implementing the American Recovery and Reinvestment Act. The hearing will address implementation efforts in programs across the Committee's jurisdiction, including highways, bridges, public transportation, rail, aviation, waterways, flood control, water resource development, wastewater treatment facilities, hazardous waste clean-ups, economic development, and Federal buildings.

BACKGROUND

State of the Economy

In 2009, the employment situation has continued to worsen. According to the Bureau of Labor Statistics (BLS), as of March 2009,[1] there are 13.2 million unemployed persons in the United States, for all sectors of the economy combined. In addition, when part-time and discouraged workers who want full-time jobs are included, the number of unemployed/under-employed workers increases to 24.3 million.

The unemployment rate in March 2009 was 8.5 percent – the highest it has been in 25 years.

[1] The latest month for which data is available.

When part-time and discouraged workers who want full-time jobs are included, the unemployment rate is 15.8 percent.

The National Bureau of Economic Research has determined that the current recession began in December 2007. At 16 months and counting, the current recession is already longer than the two most recent recessions the nation experienced in 1990-91 and 2001, each of which lasted eight months. Therefore, if Bureau determines that the nation remains in recession in April, which is expected, the current recession will be the longest since the Great Depression. From the start of the recession in December 2007 through March 2009, the number of unemployed persons has increased by 5.6 million.

The construction sector has been particularly hard-hit. It has lost 1,050,000 jobs since the recession began in December 2007. The unemployment rate in construction was 21.1 percent in March 2009 – up 9.1 points since March 2008. This is the highest unemployment rate of any industrial sector. As of March 2009, there are 1,979,000 unemployed construction workers in the nation – that is 809,000 more unemployed construction workers than in March 2008, and 1,055,000 more than in March 2007.

Within the overall construction sector, seasonally adjusted employment in heavy and civil engineering construction[2] has fallen by 96,100 since the recession began in December 2007. Heavy and civil engineering construction employment is now the lowest it has been since September 2004.

Moreover, after workers have lost their jobs, they are having more trouble finding new jobs. As of March 2009, the average length of unemployment is 20.1 weeks, compared to 16.5 weeks in December 2007 at the start of the recession. The number of workers who have been unemployed for longer than six months is now 3.2 million, compared to 1.3 million in December 2007. One-half of the unemployed have been out of work for more than 11 weeks and nearly one in four has been out of work for more than six months.

With this urgent need for jobs as the backdrop, Federal agencies, State and local governments, business, and labor are working to implement the Recovery Act, to create jobs now and, at the same time, address long-term infrastructure investment needs.

[2] This term includes highway, street, and bridge construction; utility system construction; land subdivision construction; and other heavy and civil engineering construction.

Recovery Act

On February 17, 2009, the American Recovery and Reinvestment Act of 2009 (P.L. 111-5) ("Recovery Act") was signed into law. The Recovery Act provides $64.1 billion of infrastructure investment for programs within the jurisdiction of the Committee on Transportation and Infrastructure, including:

- $27.5 billion for highways and bridges;
- $8.4 billion for transit;
- $9.3 billion for passenger rail;
- $1.5 billion for competitive surface transportation grants;
- $1.3 billion for aviation;
- $5.26 billion for environmental infrastructure;
- $4.6 billion for the Army Corps of Engineers;
- $5.575 billion for Federal buildings;
- $150 million for the Economic Development Administration;
- $210 million for Firefighter Assistance Grants;
- $240 million for Coast Guard facilities and bridge alterations; and
- $100 million for Maritime Administration Small Shipyard Grants.

I. Implementation Highlights

Implementation highlights as of April 17, 2009, are summarized below. For additional information, see the attached report entitled *The American Recovery and Reinvestment Act of 2009, Transportation and Infrastructure Provisions Implementation Status as of April 17, 2009.*

A. As of April 17, 2009, the U.S. Department of Transportation (DOT) had announced $44.8 billion in Recovery Act funding of a total $48.1 billion provided under the Recovery Act.

B. Of the $27.5 billion provided for highways and bridges, 48 States and Territories have submitted and received approval for 2,163 projects totaling $6.7 billion, nearly 25 percent of the Recovery Act highway funds.

C. Of the $6.8 billion apportioned for the Transit Capital Assistance program, the Federal Transit Administration has awarded five projects totaling $48.6 million, and another 109 grants (totaling $1.47 billion) are now pending review by the U.S. Department of Labor (DOL). Grants awarded using Recovery Act funds to urbanized areas must be certified by DOL, and the process can require up to 60 days.

D. The Federal Railroad Administration (FRA) has approved 52 Amtrak capital improvement projects, totaling $938 million.

E. On April 16, 2009, FRA announced its strategic plan for distributing $8 billion in high-speed rail and intercity passenger rail grant funds.

F. The Federal Aviation Administration (FAA) has announced more than $1 billion in tentative allocations of funding for specific Recovery Act airport projects, including runway, taxiway, apron, and terminal improvements. A tentative allocation of funding allows the airport sponsor to solicit bids for construction. Sponsors then submit their grant applications to the FAA based on the bids received. Only after a grant application is approved will FAA obligate the funds. Therefore, obligations will start showing up in substantial amounts by mid-May, after completion of the bid solicitation and grant award process. As of April 17, the FAA had obligated $7.3 million for airport improvement projects.

G. The General Services Administration released a plan detailing how the agency plans to invest the $5.55 billion provided by the Recovery Act, which includes $4.3 billion for the High Performance Green Building Program (43 Full & Partial Building Modernization projects and 192 Limited Scope Building Modernization projects), $734 million for Federal buildings and courthouses (10 projects), and $300 billion for Land Port of Entry Construction (7 projects).

H. On April 15, 2009, the Environmental Protection Agency announced its distribution of $600 million in new Superfund cleanup funding.

I. On April 6, 2009, the Natural Resources Conservation Service (NRCS) announced the distribution of $45 million in Recovery Act funds under its Watershed Rehabilitation Program. On April 16, 2009, NRCS announced the distribution of $85 million in Recovery Act funds for watershed operations.

J. On April 22, 2009, the Economic Development Administration released its Recovery Act spending plan detailing how it will allocate the $150 million in Recovery Act funds among its six regions.

K. As of April 20, 2009, the deadline to apply for the $100 million provided by the Recovery Act for Small Shipyard Grants, more than 400 grant applications had been received by the Maritime Administration.

II. Transparency and Accountability

The Recovery Act requires States and other direct recipients of Recovery Act funds to make specific certifications about their use of such funds. As of April 24, 2009, all 50 States, the District of Columbia, and the five Territories had certified that they will maintain their efforts with regard to State funding of transportation projects.[3] All 50 States, the District of Columbia, and the five Territories have also certified that they will request and use all funds provided by the Recovery Act, including but not limited to funds for transportation projects, and the funds will be used to create jobs and promote economic growth. Finally, States and Territories have certified that infrastructure investments funded by the Recovery Act had received the full review and vetting required by law and that the chief executive accepts responsibility that the infrastructure investment is an

[3] According to GAO, some States have submitted certifications with conditions attached, e.g., making their certifications subject to certain future legislative action or revenues. DOT has informed Governors that the Recovery Act does not authorize the use of conditional or qualified certifications, and has given States the opportunity to amend their maintenance-of-effort certifications by May 22, 2009.

appropriate use of taxpayer dollars.

In addition to the certification and reporting requirements contained in the Recovery Act, on February 27, 2009, the Committee on Transportation and Infrastructure requested that certain grant recipients report information directly to the Committee to ensure that Federal agencies, States, metropolitan planning organizations, public transit agencies, and other grant recipients use Recovery Act funds to finance infrastructure investments that create and sustain jobs and contribute to our nation's long-term economic growth.

The Committee sent 468 letters to States, the District of Columbia, Territories, metropolitan planning organizations, and public transit agencies to request information on the recipients' use of Recovery Act funds for highways, bridges, public transit, clean water, and other infrastructure projects under the Committee's jurisdiction. On April 3, 2009, all 50 States, the District of Columbia, metropolitan planning organizations, and public transit agencies responded to the Committee's request for information.

According to the information received, as of March 31, 2009, just 42 days after President Obama signed the Recovery Act, work had begun on 263 highway and transit projects in 30 states. These projects total $1.1 billion and have put more than 1,250 workers back on the job. Another 101 projects worth $100 million are under contract. A total of 1,380 highway and transit projects in 47 States and the District of Columbia, totaling $6.4 billion, had been put out to bid by that date.

The Committee will require States, metropolitan planning organizations, public transit agencies, and other grant recipients to report regularly to the Committee regarding implementation of the Recovery Act.

For additional state by state information, see the attached table entitled *T&I Committee Transparency and Accountability Information by State and Formula Funding under, the American Recovery and Reinvestment Act of 2009 (P.L. 111-5) ("Recovery Act") Submissions Received by T&I Committee (Data Reported as of March 31, 2009).*

WITNESSES

PANEL I

The Honorable Ray H. LaHood
Secretary
U.S. Department of Transportation

The Honorable Lisa P. Jackson
Administrator
U.S. Environmental Protection Agency

PANEL II

Mr. Terrence C. Salt
Principal Deputy Assistant Sec. of the Army (Civil Works)
U.S. Army Corps of Engineers

Mr. Paul F. Prouty
Acting Administrator
General Services Administration

Mr. Donald A. Stadtler, Jr.
Chief Financial Officer
Amtrak

Mr. Dennis Alvord
Acting Deputy Assistant Secretary of Commerce for Economic Development

PANEL III

The Honorable Calvin L. Scovel III
Inspector General
U.S. Department of Transportation

Ms. Katherine A. Siggerud
Managing Director, Physical Infrastructure Issues
U.S. Government Accountability Office

Ms. Melissa Heist
Assistant Inspector General for Audit
U.S. Environmental Protection Agency

Panel IV

The Honorable Allen D. Biehler, P.E.
Secretary of Transportation
State of Pennsylvania
representing the American Association of State Highway and Transportation Officials

Mr. Matthew J. Millea
President
New York State Environmental Facilities Corporation
representing the Association of State and Interstate Water Pollution Control Administrators

Mr. J. Barry Barker
Executive Director, Transit Authority of River City (Louisville, KY)
representing the American Public Transportation Association

Mr. Michael Morris
Executive Director
North Central Texas Council of Governments
representing the Association of Metropolitan Planning Organizations

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

The American Recovery and Reinvestment Act of 2009 Transportation and Infrastructure Provisions Implementation Status as of April 17, 2009

Prepared for

The Honorable James L. Oberstar
Chairman

By the Committee on Transportation and Infrastructure
Majority Staff

For Release on Delivery
__, 2009
__ a.m.

THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009
TRANSPORTATION AND INFRASTRUCTURE COMMITTEE PROVISIONS

$64.1 BILLION FOR TRANSPORTATION AND INFRASTRUCTURE INVESTMENT

- The American Recovery and Reinvestment Act of 2009 (P.L. 111-5) ("Recovery Act") provides **$64.1 billion** of infrastructure investment to enhance the safety, security, and efficiency of our highway, transit, rail, aviation, environmental, flood control, inland waterways, public buildings, and maritime transportation infrastructure.

- The $64.1 billion of Federal transportation and infrastructure investment will **create or sustain more than 1.8 million jobs and $323 billion of economic activity**.

- Specifically, **the Recovery Act provides**:

  - **Highways and Bridges: $27.5 billion**
    including Federal-aid Highway formula ($26.8 billion), Indian Reservation Roads ($310 million), National Park Roads ($170 million), Forest Roads ($60 million), Refuge Roads ($10 million), Ferry Boats and Ferry Terminal facilities ($60 million), On-the-Job Training ($20 million), and Disadvantaged Business Enterprise bonding assistance ($20 million)

  - **Transit: $8.4 billion**
    including Transit Urban and Rural formula ($6.8 billion), Transit Greenhouse Gas and Energy Reduction program ($100 million), Fixed Guideway Modernization formula ($750 million), and New Starts grants ($750 million)

  - **Rail: $9.3 billion**
    including High-speed Rail and Intercity Passenger Rail grants ($8 billion), Amtrak Capital grants ($850 million), and Amtrak Safety and Security grants ($450 million)

  - **Surface Transportation: $1.5 billion**
    including highway, bridge, public transit, intercity passenger rail, freight rail, and port infrastructure grants

  - **Aviation: $1.3 billion**
    including Airport Improvement Program ($1.1 billion) and Federal Aviation Administration Facilities and Equipment ($200 million)

TRANSPORTATION AND INFRASTRUCTURE INVESTMENT CONTINUED

- **Environmental Infrastructure: $5.26 billion**
  including Clean Water State Revolving Fund loans and grants ($4 billion), Superfund cleanups ($600 million), Brownfields grants ($100 million), Watershed and Flood Prevention Operations ($290 million), Watershed Rehabilitation Program ($50 million), and International Boundary and Water Commission ($220 million)

- **U.S. Army Corps of Engineers: $4.6 billion**
  including Construction ($2 billion), Operations and Maintenance ($2.075 billion), Mississippi Rivers and Tributaries ($375 million), Formerly Utilized Sites Remedial Action Program ($100 million), Investigations ($25 million), and Regulatory Program ($25 million)

- **Federal Buildings: $5.575 billion**
  including High-Performance Green Federal buildings ($4.5 billion), repair, alteration, and construction of Federal buildings and courthouses ($750 million) and border stations and land ports of entry ($300 million), and Smithsonian Institution ($25 million)

- **Economic Development Administration: $150 million**
  including Economic Adjustment grants ($50 million) and Regional Economic Development Commissions (up to $50 million)

- **Emergency Management: $210 million**
  including Firefighter Assistance grants to construct non-Federal fire stations ($210 million)

- **Coast Guard: $240 million**
  including Bridge Alterations ($142 million) and construction of shore facilities and aid-to-navigation facilities and repair of vessels ($98 million)

- **Maritime Administration: $100 million**
  including Small Shipyard grants ($100 million)

- The Recovery Act generally **requires these funds to be invested in ready-to-go projects.** Section 1602 of the Recovery Act requires States and other grant recipients to give preference to projects that can be started and completed expeditiously, including a goal of using at least 50 percent of the funds for projects that can be initiated not later than 120 days after the date of enactment (June 17, 2009).[1] In addition, several transportation programs have specific deadlines to invest a percentage of the funds. For example, for Federal-aid Highway formula funds, 50 percent of state-administered funds must be obligated within 120 days of the date of apportionment (June 30, 2009) and all funds must be obligated within one year of the date of apportionment (March 2, 2010). For transit formula grants, 50 percent of funds must be obligated within 180 days of the date of apportionment (September 1, 2009) and all funds must be obligated within one year of the date of apportionment (March 5, 2010).

- The Recovery Act **creates green collar jobs and invests in projects that decrease our dependence on foreign oil and address global climate change.** It provides $4.5 billion for High-Performance Green Federal buildings to fund projects that incorporate energy and water conservation elements, such as installing photovoltaic roofs and geothermal technology. In addition, the Recovery Act provides a significant investment in public transit, high-speed rail, intercity rail, and Amtrak projects to provide alternatives to traveling by car, and help public transit and intercity passenger rail providers increase the percentage of their fleets that are alternative fuel vehicles. Finally, the Recovery Act directs that 20 percent of each state's Clean Water State Revolving Fund allotment be used for investments in energy and water efficient techniques and technologies (i.e., green infrastructure).

- The Recovery Act **requires the steel, iron, and manufactured goods for these projects to be produced in the United States.**[2]

- The Recovery Act **creates family-wage construction and manufacturing jobs.**[3]

- The Recovery Act **requires the Governor of each State to certify that:**

  - **the State will request and use funds provided by the Recovery Act and the funds will be used to create jobs and promote economic growth;**[4]

  - **the State will maintain its effort with regard to State funding for transportation projects;**[5] **and**

[1] American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, § 1602 (2009).
[2] *Id.* § 1605.
[3] *Id.* § 1606. The Recovery Act requires all laborers and mechanics employed by contractors on projects funded by this Act to be paid prevailing wages. *Id.*
[4] *Id.* § 1607. The Governor shall make this certification within 45 days of the date of enactment (April 3, 2009). If the Governor does not make such certification, the State legislature may accept the funds. *Id.*

- **the Governor accepts responsibility that the infrastructure investment is an appropriate use of taxpayer dollars.**[6]

➢ Finally, the Recovery Act **ensures transparency and accountability by including regular reporting requirements to track the use of the funds, State investments, and the estimated number of jobs created or sustained. This information will be publicly available through Recovery.gov.** Pursuant to section 1512 of the Act, States and other direct grant recipients will provide quarterly reports to the Federal agency that provided the funds on the total amount of recovery funds received (beginning July 10, 2009); the amount of such funds that were expended or obligated; a detailed list of all projects or activities for which recovery funds were expended or obligated, including the name and description of the project, an evaluation of the completion status of the project, and an estimate of the number of jobs created or sustained by the project; and, for infrastructure investments made by State and local governments, the purpose, total cost, and rationale of the agency for funding the infrastructure investment. Each Federal agency receiving these quarterly reports will make the information publicly available by posting the information on a website.[7]

➢ Section 1201 of the Recovery Act **requires additional reporting requirements for funds administered by the U.S. Department of Transportation.** Under this provision, each State and other grant recipient shall submit periodic reports to the U.S. Department of Transportation on the use of Recovery Act funds provided for highway, public transit, rail, surface transportation, airport, and maritime programs. The States and other grant recipients will report:

- the amount of Federal funds obligated and outlayed;
- the number of projects that have been put out to bid, and the amount of Federal funds associated with such projects;
- the number of projects for which contracts have been awarded, and the amount of Federal funds associated with such projects;
- the number of projects for which work has begun under such contracts and the amount of Federal funds associated with such contracts;
- the number of projects for which work has been completed under such contracts and the amount of Federal funds associated with such contracts;

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[5] *Id.* § 1201. The certification shall include a statement identifying the amount of funds the State planned to expend from State sources as of the date of enactment during the period from the date of enactment through September 30, 2010. *Id.*

[6] *Id.* § 1201. The certification shall include a description of the investment, the estimated total cost, and the amount of covered funds to be used, and shall be posted on a website and linked to the Recovery.gov website. *Id.*

[7] *Id.* § 1512.

- the number of direct, on-project jobs created or sustained by the Federal funds provided and, to the extent possible, the estimated indirect jobs created or sustained in the associated supplying industries, including the number of job-years created and the total increase in employment since the date of enactment; and

- information tracking the actual aggregate expenditures by each grant recipient from State sources for projects eligible for funding under the program during the period from the date of enactment through September 30, 2010, compared to the level of expenditures that were planned to occur during such period as of the date of enactment.

The first periodic report is due not later than 90 days after the date of enactment (May 18, 2009), and subsequent reports are due not later than 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years after the date of enactment (February 17, 2012).[8]

READY-TO-GO INFRASTRUCTURE INVESTMENTS

- While certain infrastructure projects may require years of engineering and environmental analysis, followed by a lengthy contract award process, a subset of projects – such as projects involving rehabilitation and repair of existing infrastructure – can move much more quickly, with work beginning within 90 to 120 days.[9]

- The Recovery Act requires recovery funds to be invested in ready-to-go projects. Priority will be given to projects that can be started and completed quickly.[10] For instance, State Departments of Transportation (DOTs) have a tremendous backlog of highway resurfacing needs. State DOTs often have open-ended contracts in place for resurfacing projects, which means that work could begin immediately upon receipt of additional funds. Similarly, many State DOTs have bridge deck overlay projects, in which the top two or three inches of concrete on the surface of the bridge (e.g., the deck) is replaced, which are ready-to-go.

- Even before the U.S. Department of Transportation apportioned formula funds to States, cities, and public transit agencies, State DOTs put out bids (typically for a period of 30 days) for ready-to-go projects. After receipt of the bids and contract award, work can begin on the project within an additional 30 days. **In this way, the Recovery Act can "put shovels in the ground" within 90 to 120 days of the date of enactment.**

[8] *Id.* § 1201.
[9] The Federal Highway Administration's "August redistribution" of highway funds illustrates the ability of States to obligate additional funds quickly when they become available. In August of each year, States that cannot use their entire obligation authority return the unused authority to the Federal Highway Administration, which then redistributes it to States that can use the funds prior to the end of the fiscal year on September 30.
[10] *See id.* § 1602.

<u>ECONOMIC IMPACT:</u> **MORE THAN 1.8 MILLION JOBS AND $323 BILLION OF ECONOMIC ACTIVITY**

- The $64.1 billion of Federal infrastructure investment will **create or sustain more than 1.8 million jobs and $323 billion of economic activity**. Each $1 billion of Federal funds invested in infrastructure creates or sustains approximately 34,779 jobs and $6.2 billion in economic activity.[11]

- A national survey found that transportation construction contractors hire employees within three weeks of obtaining a project contract. These employees begin receiving paychecks within two weeks of hiring.

- In addition, this infrastructure investment will **increase business productivity** by reducing the costs of producing goods in virtually all industrial sectors of the economy. Increased productivity results in increased demand for labor, capital, and raw materials and generally leads to lower product prices and increased sales.

- The proposed investment will specifically help unemployed construction workers. The construction sector has lost 1,050,000 jobs since the recession began in December 2007. The unemployment rate in construction was **21.1 percent** in March 2009 – up 9.1 points since March 2008. This is the highest unemployment rate of any industrial sector. As of March 2009, **there are 1,979,000 unemployed construction workers** in the nation – that's 809,000 more unemployed construction workers than in March 2008, and 1,055,000 more than in March 2007. Within the overall construction sector, heavy and civil engineering construction employment is now the lowest it has been since September 2004.

- In contrast to the economic stimulus effect from tax cuts, virtually all of the stimulus effect from public infrastructure investment will be felt in the United States. Not only would the construction work be done here, but most transportation construction materials and equipment are manufactured in the United States, as well.[12]

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[11] These estimates are based on 2007 Federal Highway Administration data on the correlation between highway infrastructure investment and employment and economic activity, and assume a 20 percent state or local matching share of project costs. Some infrastructure programs have slightly higher or lower estimates of the number of jobs created or the economic activity generated per $1 billion of Federal funds invested. To enable easy comparisons among the elements of the bill, this document presumes the FHWA model for employment and economic activity. In the overwhelming majority of cases, the requirement for State or local matching funds would be waived under this proposal. Where appropriate, estimates of employment and economic activity have been adjusted to reflect these match waivers.

[12] Previous experience with using public infrastructure investment to stimulate the economy can be found with the Public Works Acceleration Act (P.L. 87-658), signed by President Kennedy on September 14, 1962. Under this program, a total investment of $1.8 billion ($880 million Federal investment and $920 million in local investment) generated 250,000 job-years. *See* Public Works Acceleration Act, 42 U.S.C. § 2641 (1962).

<u>MINORITY-OWNED AND WOMEN-OWNED BUSINESS IMPACT</u>:

- This investment will also help address the disproportionate effect that the increase in unemployment has had on people of color. In March 2009, the rate of unemployment for African Americans was 13.3 percent – 68 percent higher than the rate for whites. The unemployment rate for Hispanic or Latino Americans was 11.4 percent, 44 percent more than the rate for whites.

- Congress has established a national 10 percent aspirational program goal for firms certified as Disadvantaged Business Enterprises ("DBEs"), including minority- and women-owned businesses, with respect to highway, transit, aviation, and other infrastructure programs. As a general rule, States, cities, and infrastructure financing authorities are required to establish an annual DBE participation goal that reflects what DBE participation would be in the absence of discrimination. The DBE program applies to all Recovery Act transportation and infrastructure programs.

HIGHWAYS AND BRIDGES – $27.5 BILLION

Recovery Act:

1. **Provides $26.66 billion in funding for Federal-Aid Highway formula investments.**
2. **Provides $150 million for Puerto Rico and Territorial Highway Programs.**
3. **Provides $550 million for roads on Federal and Indian lands, including $170 million for National Park Roads, $310 million for Indian Reservation Roads, $60 million for Forest Roads, and $10 million for Refuge Roads.**
4. **Provides $60 million for competitive discretionary Ferry Boat capital grants to States.**
5. **Provides $20 million for On-the-Job Training.**
6. **Provides $20 million for Disadvantaged Business Enterprise bonding assistance.**

Distribution: Distributes Federal-Aid Highway funds through a hybrid formula to States (50 percent through Surface Transportation Program formula and 50 percent apportioned via the FY 2008 obligation limitation ratio distribution). States must sub-allocate 30 percent of funds to local governments. Distributes National Park, Indian Reservation, Forest, and Refuge Road funds pursuant to existing administrative processes. Of all the funds provided to a state, three percent must be used for transportation enhancements. Formula funds must be apportioned by the Federal Highway Administration (FHWA) within 21 days of the date of enactment (March 10, 2009).

Additional Uses of Funds: Expands uses to include stormwater runoff, passenger and freight rail, and port infrastructure projects.

Prioritization: Prioritizes funds on projects that could be completed in three years (February 17, 2012) and are in economically distressed areas of the state, except that, for Ferry Boat projects, priority shall be given to projects that can be completed within two years of enactment (February 17, 2011).

Shovel-Ready Deadlines: Requires 50 percent of the funds apportioned to the States to be obligated within 120 days after the date of apportionment (June 30, 2009). Funds not obligated in accordance with this requirement will be withdrawn and redistributed to other States that had no funds withdrawn. Funds suballocated to local governments are not subject to the 120-day redistribution. One hundred percent of funds must be obligated within one-year of apportionment (March 2, 2010). Funds not obligated as of this date will be withdrawn and redistributed to other States that had no funds withdrawn. The Secretary of Transportation has authority to provide an extension of the one-year period if a State is experiencing extreme conditions.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to FHWA on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by FHWA and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[13]

Each recipient that received Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days after the end of each calendar quarter (beginning July 10, 2009). Each agency shall make such information publicly available by posting the information on a website no later than 30 days after the end of each calendar quarter (beginning July 30, 2009). These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[14]

Recovery Act Implementation: On March 2, 2009, eight days earlier than what the Recovery Act requires, FHWA issued Federal-aid Highway formula apportionments to States. These apportionments are summarized in the attached tables, and are also available on FHWA's website: http://www.fhwa.dot.gov/legsregs/directives/notices/n4510705t1.htm.

Of the funds provided for the highway formula program, in the past seven weeks, 48 states/territories have submitted and received approval for 2,163 projects totaling $6.7 billion, nearly 25 percent of the Recovery Act highway funds.

Highway construction is underway across the country, including the following projects:

- Silver Spring, Maryland: $2.1 million project to resurface and improve safety along a 1.1-mile section of New Hampshire Avenue;
- Gibson County, Tennessee: $924,000 project to replace three 40-year old wooden bridges;
- Richmond, Vermont: $1.7 million project to rehabilitate a bridge over the Winooski River.

In addition to the formula programs, FHWA has moved ahead with discretionary programs funded by the Recovery Act. On March 30, 2009, FHWA issued a solicitation for the Ferry Boat capital grants program. On April 2, 2009, the agency allocated the remainder of Refuge Road funds for repairing Fish and Wildlife Service roads. On April 6, 2009, FHWA allocated $72.3 million in funds to repair and rehabilitate roads and bridges in the National Parks, and on April 13, 2009, awarded the first Recovery Act Forest Highway Project ($1.06 million project in Medicine Bow National Forest in Wyoming). FHWA plans to soon allocate funds to the Bureau of Indian Affairs for improving roads and bridges within, and providing access to Tribal lands and to the National Park Service for pavement preservation projects.

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[13] American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, § 1201 (2009).
[14] *Id.* § 1512.

FHWA took many steps to ensure consistency and timeliness in reporting and implementation required by the Recovery Act. The agency issued reporting guidance to States as well as hosted an implementation webcast for local agencies that more than 400 people attended. FHWA staff met with the White House Implementation Workgroup for Indian Tribes and the Bureau of Indian Affairs to develop an oversight plan for Recovery Act funds for the Indian Reservation Roads program. On April 13, 2009, FHWA also finalized its risk management plans for implementation and oversight of Recovery Act projects and funding.

The Recovery Act requires Governors, mayors, or chief executive officers to make specific certifications. DOT established a website where the agency posts submitted certifications, by state: http://testimony.ost.dot.gov/ARRAcerts/.

Economic Impact: Creates more than 765,000 jobs and $136 billion of economic activity.

<u>TRANSIT URBAN AND RURAL FORMULA GRANTS – $6.8 BILLION</u>

<u>Recovery Act</u>: **Provides $6.8 billion in transit capital and operating grants for ready-to-go projects, including $5.44 billion using the current transit urban formula, $680 million using the current transit rural formula, and an additional $680 million to both urban and rural areas using the current Growing States and High Density States formula.**

<u>Distribution</u>: Distributes transit urban and rural formula funds to States, cities, and public transit agencies pursuant to existing statutory transit formulas under 49 U.S.C. § 5307, 49 U.S.C. § 5311 and 49 U.S.C. § 5340.

<u>Prioritization</u>: Formula funds must be apportioned by FTA within 21 days of enactment (March 10, 2009).

<u>Shovel-Ready Deadlines</u>: Requires States, cities, and public transit agencies to obligate at least $3.4 billion (50 percent) of these funds within 180 days of the date of apportionment (September 1, 2009). Funds not obligated in accordance with this requirement will be withdrawn and redistributed to other urbanized areas or States that had no funds withdrawn. One hundred percent of funds must be obligated within one-year of apportionment (March 5, 2010). Funds not obligated as of this date will be withdrawn and redistributed to other urbanized areas or states that had no funds withdrawn. The Secretary of Transportation has authority to provide an extension of the one-year period if a State or urbanized area has encountered an unworkable bidding environment or other extenuating circumstances.

<u>Transparency and Accountability Requirements</u>: Grant recipients must submit periodic reports to FTA on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by FTA and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[15]

Each recipient that received Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days after the end of each calendar quarter (beginning July 10, 2009). Each agency shall make such information publicly available by posting the information on a website no later than 30 days after the end of each calendar quarter (beginning July 30, 2009). These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[16]

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[15] *Id.* § 1201.
[16] *Id.* § 1512.

<u>Recovery Act Implementation</u>: The Recovery Act provides $6.8 billion in transit capital grants for ready-to-go projects, including $5.44 billion distributed by the current transit urban formula, $680 million distributed by the current transit rural formula, and an additional $680 million for both urban and rural areas distributed by the growing states and high density states formula.

Of the $6.8 billion apportioned for the Transit Capital Assistance program on March 5, 2009, $48.6 million for five projects has been awarded by the FTA, including three grants in rural areas of Kentucky, Missouri, and Maine:

- Kentucky: Purchase of 206 vehicles including trolleys, intercity buses, and vans;
- Maine: Grant to construct a new passenger ferry; and
- Missouri: Purchase of approximately 319 vehicles including modified vans, minivans, and minibuses.

These apportionments are summarized in the attached tables, and are also available on FTA's website: http://www.fta.dot.gov/about_FTA_9289.html. Please note that FTA's table aggregates the Transit Capital and Fixed Guideway programs.

FTA has an additional 109 grants (totaling $1.47 billion) that are now pending review. These pending grants will for example fund public projects in urbanized areas, including rail improvements, and the purchase of new clean-fuel buses. FTA also has 3 grants pending release in the Office of the Secretary of Transportation (totaling approximately $70 million). On March 23, 2009, FTA also published the $17 million Tribal Transit Program notice in the Federal Register.

FTA has reached out to transit agencies to ensure accuracy and consistency in reporting and implementation and issued guidance on applying for grants and reporting ongoing activities. In March, FTA held a seminar on the Recovery Act at the American Public Transportation Association Legislative Meeting. FTA recently participated in a webinar to provide transit agencies with up-to-date Recovery Act information. The agency also worked to finalize its risk management plan to ensure effective and efficient use of transit-related Recovery Act funds.

<u>Economic Impact</u>: Creates more than 189,000 jobs and $34 billion of economic activity.

TRANSIT GREENHOUSE GAS AND ENERGY REDUCTION FUNDING – $100 MILLION

Recovery Act: Provides $100 million of discretionary transit capital grants to public transit agencies to reduce energy consumption or greenhouse gas emissions of their public transportation systems.

Distribution: Distributes transit energy funds to public transit agencies as discretionary grants.

Prioritization: Prioritizes funds for projects based on the total energy savings that are projected to result from the investment, and projected energy savings as a percentage of the total energy usage of the public transit agency.

Shovel-Ready Deadlines: Requires public transit agencies to obligate at least 50 percent of these funds within 180 days of the date of allocation (September 1, 2009). Requires public transit agencies to obligate all of the funds within one year of the date of allocation (March 5, 2009). The Secretary of Transportation may provide an extension of time if a city or State has encountered an unworkable bidding environment or other extenuating circumstances.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to FTA on the use of Recovery Act funds no later than 90 days (May 28, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by FTA and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and have been awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[17]

Each recipient that received Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days after the end of each calendar quarter (beginning July 10, 2009). Each agency shall make such information publicly available by posting the information on a website no later than 30 days after the end of each calendar quarter (beginning July 30, 2009). These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[18]

Recovery Act Implementation: On March 24, 2009, FTA issued notice in the Federal Register soliciting proposals for the Greenhouse Gas and Energy Reduction program. Proposals are due by May 22, 2009.

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[17] *Id.* § 1201.
[18] *Id.* § 1512.

On April 8, 2009, FTA hosted a webinar for approximately 250 potential applicants to this program.

Economic Impact: Creates approximately 2,800 jobs and $500 million of economic activity.

FIXED GUIDEWAY INFRASTRUCTURE INVESTMENT – $750 MILLION

Recovery Act: Provides $750 million for transit fixed guideway modernization projects.

Distribution: Distributes funds through the existing fixed guideway modernization formula.

Prioritization: Formula funds must be apportioned by FTA within 21 days of enactment (March 10, 2009).

Shovel-Ready Deadlines: Requires public transit agencies to obligate at least $375 million (50 percent) of these funds within 180 days of the date of apportionment (September 1, 2009). Requires public transit agencies to obligate all of the funding within one year of the date of apportionment (March 5, 2010). The Secretary of Transportation may provide an extension of time if a city or State has encountered an unworkable bidding environment or other extenuating circumstances.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to FTA on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by FTA and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and have been awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[19]

Each recipient that received Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days after the end of each calendar quarter (beginning July 10, 2009). Each agency shall make such information publicly available by posting the information on a website no later than 30 days after the end of each calendar quarter (beginning July 30, 2009). These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[20]

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[19] *Id.* § 1201.
[20] *Id.* § 1512.

Recovery Act Implementation: On March 5, 2009, FTA announced the allocation of these formula funds. These apportionments are summarized in the attached tables, and are also available on FTA's website: http://www.fta.dot.gov/about_FTA_9289.html. Please note that FTA's table aggregates the Transit Capital and Fixed Guideway programs.

Grant recipients are now able to apply for these funds through FTA.

Economic Impact: Creates approximately 20,900 jobs and $3.7 billion of economic activity.

TRANSIT NEW STARTS CONSTRUCTION – $750 MILLION

Recovery Act: Provides $750 million in transit capital grants for New Starts construction projects.

Distribution: Distributes New Starts project construction funds to public transit agencies pursuant to existing authority under SAFETEA-LU, FTA Full Funding Grant Agreements, and FTA Project Construction Grant Agreements. The FAA would determine the distribution of funds through its existing competitive process.

Prioritization: Prioritizes funds on projects that are currently in construction or are able to obligate funds within 150 days of enactment (July 16, 2009).

Shovel-Ready Deadlines: FTA must obligate 100 percent of the funds by September 30, 2010.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to FTA on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by FTA and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and have been awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[21]

Each recipient that received Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days after the end of each calendar quarter (beginning July 10, 2009). Each agency shall make such information publicly available by posting the information on a website no later than 30 days after the end of each calendar quarter (beginning July 30, 2009). These

[21] *Id.* § 1201.

reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[22]

Recovery Act Implementation: In the near future, FTA plans to publish a notice in the Federal Register soliciting applicants for the New Starts program. On March 27, 2009, FTA announced that the Central Phoenix/East Valley Light Rail project in Phoenix, Arizona, will receive $36 million of New Starts funding. The Recovery Act funds will help to complete the rail line and allow Valley Metro to begin work on the extension, which is expected to create 10,000 jobs over the life of the project.

Economic Impact: **Create more than 50,000 jobs and $9 billion of economic activity. Furthermore, the additional $750 million of New Starts funding will make available an additional $1.5 billion of contingent commitment authority to enable FTA to sign additional New Starts funding agreements for future transit construction projects.**

[22] *Id.* § 1512.

RAIL – $9.3 BILLION

Recovery Act:

1. **Provides $1.3 billion for capital grants to Amtrak, of which $450 million shall be used by Amtrak for safety and security improvements.**

2. **Provides $8 billion for high-speed rail, intercity passenger rail, and congestion capital grants to States.**

Distribution: Distributes $1.3 billion of capital grants to Amtrak; distributes $8 billion of high-speed rail, intercity passenger rail, and congestion grants to States on a competitive basis to pay for the cost of capital projects, as provided for in section 501 of the Passenger Rail Investment and Improvement Act of 2008 (Division B of P.L. 110-432) and chapter 244 of Title 49, United States Code.

Prioritization: For capital grants to Amtrak, priority shall be given to projects for the repair, rehabilitation, or upgrade of railroad assets or infrastructure, and for capital projects that expand passenger rail capacity, including the rehabilitation of rolling stock. For high-speed rail, intercity passenger rail, and congestion grants, priority shall be given to projects that support the development of high-speed rail service.

Shovel-Ready Deadlines: For capital grants to Amtrak, the Secretary shall ensure that projects funded with economic recovery funds provided to Amtrak shall be completed within two years of enactment (February 17, 2011). 100 percent of the funds must be obligated by September 30, 2010. For high-speed rail, intercity passenger rail, and congestion grants, 100 percent of the funds must be obligated by September 30, 2012.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to the Federal Railroad Administration (FRA) on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by FRA and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and have been awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[23]

Each recipient that received Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days after the end of each calendar quarter (beginning July 10,

[23] *Id.* § 1201.

2009). Each agency shall make such information publicly available by posting the information on a website no later than 30 days after the end of each calendar quarter (beginning July 30, 2009). These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[24]

<u>Recovery Act Implementation</u>: On March 19, 2009, FRA executed a grant agreement with Amtrak for $1.3 billion. Since then, Amtrak has approved 52 projects totaling more than $938 million. These projects include:

- $105 million project to replace a moveable bridge over the Niantic River in Connecticut;
- $82 million project to rehabilitate 68 passenger cars; and
- $63 million project to repair the approximately 80-year-old Lamokin frequency converters in Pennsylvania, which form a key element of the power supply system for the Northeast Corridor.

For a list of other Amtrak projects to be funded by the Recovery Act, see: http://www.fra.dot.gov/us/press-releases/243.

Besides working with Amtrak to expand rail capacity and upgrade rail infrastructure, FRA received Amtrak's preliminary list of security projects funded by the Recovery Act. On April 9, 2009, FRA met with the Department of Homeland Security to establish a process to ensure consistent intra-agency procedures governing grants to fund Amtrak security projects.

FRA also selected a program management support contractor for the $8 billion high-speed rail and intercity passenger rail grant programs. The contractor has begun work and FRA will continue to develop a strategic plan for high-speed rail. On April 6, 2009, FRA met with representatives of the Class I freight railroads and the Association of American Railroads to discuss partnership issues surrounding high-speed rail and intercity passenger rail grant programs. Finally, on April 16, 2009, FRA announced the strategic plan for high speed rail.

To view a national map showing the designated high-speed rail corridors, see: http://transportation.house.gov/Media/file/Full%20Committee/Stimulus/Designated%20HSR%20Corridors%20at%20101905b%20(2).pdf.

To view descriptions of designated high-speed rail corridors, see: http://transportation.house.gov/Media/file/Full%20Committee/Stimulus/High%20Speed%20Rail%20Corridor%20Descriptions.pdf.

<u>Economic Impact</u>: Creates approximately 259,000 jobs and $46 billion of economic activity.

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[24] *Id.* § 1512.

<u>NATIONAL SURFACE TRANSPORTATION SYSTEM DISCRETIONARY GRANTS - $1.5 BILLION</u>

<u>The Recovery Act</u>: Provides $1.5 billion to the Secretary of Transportation to make competitive discretionary grants for surface transportation projects that will have a significant impact on the Nation, a metropolitan area, or a region. Projects eligible for funding under this program include highway or bridge projects eligible under title 23, U.S.C.; public transportation projects eligible under chapter 53 of title 49, U.S.C., including investments in projects participating in the New Starts or Small Starts programs that will expedite the completion of those projects; passenger and freight rail transportation projects; and port infrastructure investments, including projects that connect ports to other modes of transportation and improve the efficiency of freight movement. The Secretary may use up to $200 million of the $1.5 billion to provide credit assistance to projects under the Transportation Infrastructure Finance and Innovation Act ("TIFIA") program.

<u>Distribution</u>: The Secretary of Transportation shall award discretionary grants to State and local governments or transit agencies based on project selection criteria to be published not later than 90 days after enactment (May 18, 2009). A grant funded under this program shall be not less than $20 million and not more than $300 million, although the Secretary may waive the minimum grant size for the purpose of funding significant projects in smaller cities, regions, or States. Not more than 20 percent of the funds under this program may be awarded to projects in a single State. The Secretary shall ensure an equitable geographic distribution of funds and an appropriate balance in addressing the needs of urban and rural communities.

<u>Prioritization</u>: Prioritizes funds on projects that require a contribution of Federal funds in order to complete an overall financing package, and to projects that are expected to be completed within three years of enactment (February 17, 2012).

<u>Shovel-Ready Deadlines</u>: Grant applications must be submitted not later than 180 days after the publication of project selection criteria. The Secretary shall announce all projects selected for funding not later than one year after enactment (February 17, 2010).

<u>Transparency and Accountability Requirements</u>: Grant recipients must submit periodic reports to the Office of the Secretary of Transportation (OST) on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by OST and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and have been awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[25]

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[25] *Id.* § 1201.

Each recipient that received Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days after the end of each calendar quarter (beginning July 10, 2009). Each agency shall make such information publicly available by posting the information on a website no later than 30 days after the end of each calendar quarter (beginning July 30, 2009). These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[26]

Recovery Act Implementation: OST is continuing to develop criteria for the $1.5 billion discretionary grants program and to create an organizational framework for administration and oversight of the grants.

Economic Impact: Creates more than 41,000 jobs and $7 billion of economic activity.

[26] *Id.* § 1512.

AIRPORT IMPROVEMENT PROGRAM – $1.1 BILLION

Recovery Act: Provides $1.1 billion for airport capital improvements through the Airport Improvement Program (AIP).

Distribution: Distributes funds to airports through the existing AIP Discretionary Grants program. The FAA will determine the distribution of funds through its existing competitive process and national priority system.

Prioritization: Prioritizes funds on projects that can be completed within two years of enactment (February 17, 2011), and serve to supplement and not supplant planned expenditures from airport-generated revenues or from other State and local funding sources.

Shovel-Ready Deadlines: The Secretary shall award grants totaling not less than 50 percent of the $1.1 billion within 120 days of enactment (June 17, 2009), and award grants for the remaining amounts not later than one year after enactment (February 17, 2010).

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to the FAA on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by the FAA and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and have been awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[27]

Each recipient that received Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days after the end of each calendar quarter (beginning July 10, 2009). Each agency shall make such information publicly available by posting the information on a website no later than 30 days after the end of each calendar quarter (beginning July 30, 2009). These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[28]

Recovery Act Implementation: On March 3, 2009, the FAA issued guidance to airport sponsors explaining the requirements of the Recovery Act and the agency's planned process for distributing AIP funds provided by the Recovery Act. Additional guidance is being issued as program specifics are defined.

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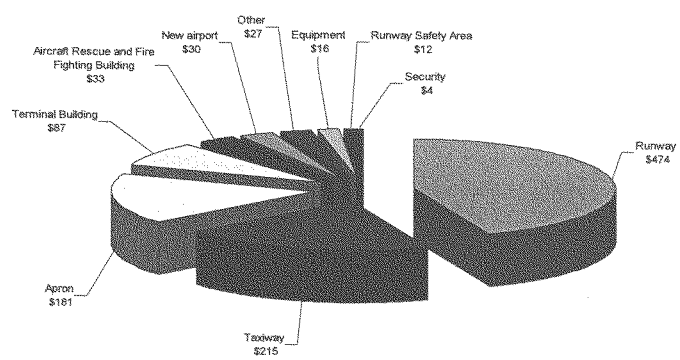
[27] *Id.* § 1201.
[28] *Id.* § 1512.

The chart below represents FAA's current best estimate of the set of projects that will receive Recovery Act funding, by type of project. It is subject to change because the FAA may discover that some projects are not able to proceed and must be replaced, or as bids come in better than expected and, therefore, the FAA is able to add new projects to the list.

Anticipated American Recovery and Reinvestment Act Airport Projects by Category*
(millions)



Source: Federal Aviation Administration.

Examples of projects to be funded include:

- $7 million to rehabilitate a runway at Denver International Airport;
- $8 million to rehabilitate a taxiway at Tampa International Airport; and
- $4.5 million to improve a runway safety area at the Savannah/Hilton Head International Airport.

As of April 22, 2009, the FAA had announced tentative allocations of funding for projects totaling $1.003 billion. After tentative funding allocations are announced, airport sponsors are able to solicit bids for construction. Sponsors will then submit their grant applications to the FAA based on the bids received. After a grant application is approved, the funds will be obligated by the FAA.
For the latest list of projects for which tentative funding allocations have been announced, see: http://www.faa.gov/airports_airtraffic/airports/aip/grantapportion_data/media/fy09_cumulative_approved_arra_grants.xls

Economic Impact: Create approximately 30,600 jobs and $5.5 billion of economic activity.

FAA FACILITIES & EQUIPMENT – $200 MILLION

Recovery Act: Provides $200 million for capital improvements to FAA facilities.

Distribution: Funds may be distributed through the FAA's existing administrative processes, or in the form of grants. Within 60 days of enactment (April 17, 2009), the FAA Administrator shall establish a procedure for applying for grants under this program, reviewing such applications, and awarding grants and cooperative and other transaction agreements under this program.

Prioritization: Prioritizes funds on projects that will be completed within two years of enactment (February 17, 2011).

Shovel-Ready Deadlines: FAA must obligate 100 percent of funds by September 30, 2010.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to the FAA on the use of Recovery Act funds no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by the FAA and transmitted to Congress. These reports include the amount of Recovery Act funds appropriated, allocated, obligated, and outlayed, the number of projects that have been put out to bid and have been awarded, where work has begun and been completed, and the amount of Recovery Act funds associated with such projects, job creation statistics, and maintenance of effort data.[29]

Each recipient that received Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days after the end of each calendar quarter (beginning July 10, 2009). Each agency shall make such information publicly available by posting the information on a website no later than 30 days after the end of each calendar quarter (beginning July 30, 2009). These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[30]

Recovery Act Implementation: The FAA plans to use Recovery Act funds to upgrade power systems ($50 million), air route traffic control centers ($50 million), air traffic control towers and terminal radar approach control facilities ($80 million), and navigation and landing equipment ($20 million).

As of April 17, 2009, FAA was preparing to award a $35.7 million contract for 18 building repair projects to upgrade and modernize air traffic control facilities, as well as $3.6 million worth of contracts to purchase and install 11 new airport runway lighting systems.

[29] *Id.* § 1201.
[30] *Id.* § 1512.

Economic Impact: Create approximately 5,600 jobs and $990 million of economic activity.

ENVIRONMENTAL INFRASTRUCTURE
CLEAN WATER STATE REVOLVING FUND – $4 BILLION

Recovery Act: Provides an additional $4 billion to construct, rehabilitate, and modernize the nation's wastewater infrastructure through the Clean Water SRF program. Within the existing Clean Water SRF allocation to States, direct individual State infrastructure financing authorities to: (1) utilize 50 percent of the capitalization grants for additional subsidizations in the form of negative interest loans, principle subsidization, or grants; and (2) utilize 20 percent of the capitalization grant for investment in green infrastructure projects, environmentally innovative activities, or projects or technologies that use energy and water efficient plans or components.

Distribution: Distributes $4 billion for the Clean Water SRF pursuant to the existing Clean Water Act distribution formula.

Under the Recovery Act, State infrastructure financing authorities are required to utilize 50 percent of the capitalization grant for additional subsidizations in the form of negative interest loans, principal forgiveness, or grants to increase the overall affordability of wastewater infrastructure projects.

In addition, the Recovery Act requires State infrastructure financing authorities to utilize 20 percent of the capitalization grant for investment in green infrastructure projects, water or energy efficiency improvements, or environmentally innovative activities.

Prioritization: Notwithstanding the priority rankings projects would otherwise receive under the program, prioritizes economic recovery funds on projects on a State priority list that are ready to proceed to construction within 12 months of enactment (February 17, 2010).

Shovel-Ready Deadlines: Requires State infrastructure financing authorities to award contracts for projects or proceed to construction within one year of the date of enactment (February 17, 2010). Funds for projects not under contract or under construction within one year will be withdrawn by the Environmental Protection Agency (EPA) Administrator and reallocated among the remaining States.

Transparency and Accountability Requirements: EPA must submit a general plan for the expenditure of Recovery Act funds to the Committees on Appropriations within 30 days of enactment of the Recovery Act (March 19, 2009). EPA must submit a report containing detailed project level information associated with the general plan within 90 days of enactment of the Recovery Act (May 18, 2009).[31]

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[31] *Id.* § 701.

Each recipient that received Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days after the end of each calendar quarter (beginning July 10, 2009). Each agency shall make such information publicly available by posting the information on a website no later than 30 days after the end of each calendar quarter (beginning July 30, 2009). These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[32]

Recovery Act Implementation: On March 2, 2009, EPA issued initial guidance on the requirements of the Recovery Act, and how EPA plans to use Recovery Act funds to make capitalization grants for the Clean Water SRF. EPA plans to issue additional guidance on the implementation of the Buy American provisions for wastewater infrastructure, including how to determine the country of origin for certain technological components (e.g., pump and filter components) that are comprised of parts manufactured in various countries.

On April 3, 2009, the Office of Management and Budget released initial administrative guidance for the implementation of the Recovery Act, including guidance for the implementation of the Buy American provision of Section 1605. This guidance document provides additional details on how Federal agencies, including EPA, should interpret the Buy American provision, and how such provision should be interpreted by the individual States that receive capitalization grants for the Clean Water SRF under the Recovery Act. EPA is likely to release additional guidance materials (including potential administrative procedures for case-by-case or class/national waivers of the Buy American provision) within the next few weeks.

On April 1, 2009, the Acting Assistant Administrator for EPA's Office of Water, Mike Shapiro, signed a nationwide waiver of the Buy American provision of the Recovery Act for eligible projects under the Clean Water SRF "for which debt was incurred on or after October 1, 2009 and before February 17, 2009," the date of enactment of the Recovery Act. [See 74 Fed. Reg. 15722]. Projects eligible for this limited waiver of the Buy American provisions would include "specific designs," "may have solicited bids from prospective contractors," may have "awarded construction contracts, and in some cases began construction, prior to February 17, 2009."

On March 24, 2009, EPA posted Clean Water SRF allotments by state. These allotments are summarized in the attached tables, and are also available on EPA's website at: http://www.epa.gov/water/eparecovery/docs/Final_SRF_eco_recovery_allotments.pdf.

As of March 24, 2009, EPA had received full grant applications for the Clean Water SRF from Connecticut, Maine, Rhode Island, Kentucky, Oklahoma, Arizona, California, Hawaii, Nevada, Vermont, Michigan, New York, West Virginia, North Carolina and Puerto Rico, and a conditional application from Nebraska.

Economic Impact: Creates approximately 111,000 jobs and $20 billion of economic activity.

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[32] *Id.* § 1512.

<u>SUPERFUND – $600 MILLION</u>

<u>Recovery Act:</u> **Provides $600 million for the Superfund program, a comprehensive program to clean up the nation's worst abandoned or uncontrolled hazardous waste sites.**

<u>Distribution:</u> Distributes $600 million through existing EPA Superfund program.

<u>Prioritization:</u> EPA selected projects for Recovery Act funding based on a variety of factors, including: construction readiness; human and ecological risk; and opportunities to reduce project costs and schedules.

EPA anticipates that the benefits of applying Recovery Act funds to the Superfund program will include: acceleration of existing projects; investment in new projects; faster return of sites to productive use; and potential acceleration of "green remediation" technology.

<u>Shovel-Ready Deadlines</u>: EPA must obligate 100 percent of funds by September 30, 2010.

<u>Transparency and Accountability Requirements</u>: EPA must submit a general plan for the expenditure of Recovery Act funds to the Committees on Appropriations within 30 days of enactment of the Recovery Act (March 19, 2009). EPA must submit a report containing detailed project level information associated with the general plan within 90 days of enactment of the Recovery Act (May 18, 2009).[33]

Each recipient that received Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days after the end of each calendar quarter (beginning July 10, 2009). Each agency shall make such information publicly available by posting the information on a website no later than 30 days after the end of each calendar quarter (beginning July 30, 2009). These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[34]

<u>Recovery Act Implementation</u>: On April 15, 2009, the EPA announced its distribution of $600 million in new Superfund cleanup funding through the Recovery Act. In most cases, Recovery Act funding decisions were made to accelerate cleanup of hazardous waste sites already underway. The Superfund sites receiving Recovery Act funds are:

<u>Region 1 (ME, NH, VT, MA, RI, CT)</u>
- New Bedford Harbor – New Bedford, MA
- Hatheway & Patterson – Mansfield/Foxborough, MA

[33] *Id.* § 701.
[34] *Id.* § 1512.

- Silresim Chemical – Lowell, MA
- Ottati & Goss – Kingston, NH
- Elizabeth Mine – Stafford, VT

Region 2 (NY, NJ, PR, VI)

- Old Roosevelt Field – Garden City, NY
- Lawrence Aviation – Port Jefferson, NY
- Welsbach – Camden & Gloucester County, NJ
- Vineland Chemical – Vineland, NJ
- Roebling Steel – Florence, NJ
- Horseshoe Road – Sayreville, NJ
- Cornell Dubilier – South Plainfield, NJ
- Imperial Oil – Morganville, NJ
- Price Landfill – Pleasantville & Egg Harbor, NJ
- Emmell's Landfill – Galloway, NJ

Region 3 (PA, DE, DC, MD, VA, WV)

- Standard Chlorine – New Castle, DE
- Atlantic Wood Industries – Portsmouth, VA
- Havertown – Havertown, PA
- Crossley Farm – Huff's Church, PA

Region 4 (KY, TN, NC, SC, MS, AL, GA, FL)

- Escambia Wood – Pensacola, FL
- United Metals – Marianna, FL
- Tower Chemical – Clermont, FL
- Woolfolk – Fort Valley, GA
- Brunswick Wood – Brunswick, GA
- Sigmons Septic – Statesville, NC
- GMH – Roxboro, NC

Region 5 (MN, WI, IL, MI, IN, OH)

- Jacobsville Neighborhood Soil Contamination Soil – Evansville, IN
- South Minneapolis Residential Soil Contamination – Minneapolis, MN
- Continental Steel – Kokomo, IN
- Outboard Marine Corporation – Waukegan, IL

Region 6 (NM, TX, OK, AR, LA)

- Tar Creek – Ottawa Co., OK
- Garland Creosoting – Longview, TX
- Grants Chlorinated – Grants, NM

Region 7 (NE, KS, IA, MO)

- Cherokee County – Galena, KS
- Madison County – Fredericktown, MO
- Omaha Lead – Omaha, NE

- Oronogo-Duenweg – Joplin, MO

Region 8 (MT, ND, WY, SD, UT, CO)
- Arsenic Trioxide – Southeast, ND
- Clear Creek – Central City, CO
- Eureka Mills – Eureka, UT
- Gilt Edge – Near Lead, SD
- Upper Ten Mile – Near Helena, MT
- Bountiful W/C – Bountiful, UT
- Summitville Mine – Del Norte, CO

Region 9 (CA, NV, AZ, HI)
- Iron Mountain Mine – Redding, CA
- Frontier Fertilizer – Davis, CA
- Sulphur Bank Mercury Mine – Clear Oaks, CA

Region 10 (WA, OR, ID, AK)
- BH Mining; Basin Property Remediation Program – Kellogg, ID
- Commencement Bay – Tacoma, WA
- Wyckoff/Eagle Harbor – Bainbridge Island, WA

Economic Impact: Creates approximately 16,700 jobs and $3 billion of economic activity.

BROWNFIELDS – $100 MILLION

Recovery Act: Provides $100 million for EPA's Brownfields Discretionary Grant Program.

Distribution: Distributes funds to States, cities, and redevelopment agencies through existing EPA Brownfields Discretionary Grant program for site assessments, remediation and cleanup grants, and to capitalize state Brownfield revolving loan programs as authorized under section 104(k) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (P.L. 96-510), as amended by the Brownfields Revitalization and Environmental Restoration Act of 2001 (P.L. 107-118).

Prioritization: EPA's April 10, 2009, announcement in the Federal Register listed the criteria for funding decisions under the Brownfields Revolving Loan Funds program, including the demonstrated ability of the revolving loan fund to make loans and subgrants with Recovery Act funds "quickly" (i.e., "shovel-ready" projects) for cleanups that can be started and completed expeditiously, and the demonstrated ability to use supplemental revolving loan funds in a manner that maximizes job creation.

Shovel-Ready Deadlines: EPA must obligate 100 percent of funds by September 30, 2010.

Transparency and Accountability Requirements: EPA must submit a general plan for the expenditure of Recovery Act funds to the Committees on Appropriations within 30 days of enactment of the Recovery Act (March 19, 2009). EPA must submit a report containing detailed project level information associated with the general plan within 90 days of enactment of the Recovery Act (May 18, 2009).[35]

Each recipient that received Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days after the end of each calendar quarter (beginning July 10, 2009). Each agency shall make such information publicly available by posting the information on a website no later than 30 days after the end of each calendar quarter (beginning July 30, 2009). These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[36]

Recovery Act Implementation:

Environmental Job Training ($5 million): On March 19, 2009, the EPA issued a request for applications from eligible governmental entities and nonprofit organizations to provide environmental job training projects that will facilitate job creation in the assessment, remediation, or

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[35] *Id.* § 701.
[36] *Id.* § 1512.

preparation of Brownfields sites for sustainable reuse. The closing date for receipt of applications was April 20, 2009.

Brownfields Revolving Loan Funds ($40 million): On April 10, 2009, EPA published a notice in the Federal Register (74 Fed. Reg. 16386) that the agency was accepting requests for approximately $40 million for supplemental funding of current Brownfields revolving loan funds established under section 104(k)(4) of the Superfund law. Applications for supplemental Brownfields revolving loan funds must be submitted to EPA Regional offices by May 1, 2009.

Brownfields Environmental Site Assessment and Cleanup Grants ($55 million): EPA has announced it will use the agency's ongoing application process for Brownfields environmental site assessment and cleanup grants for the allocation of Recovery Act funding for these purposes. Applications for environmental site assessments and cleanup grants were due on November 14, 2008. EPA expects to announce its FY 2009 grant recipients in the coming weeks, which will include grant awards for the Recovery Act funds as well as general Brownfields program funding.

Economic Impact: Creates approximately 2,800 jobs and $500 million of economic activity.

WATERSHED REHABILITATION PROGRAM – $50 MILLION

Recovery Act: Provides $50 million for the rehabilitation of deficient flood damage reduction projects under the Watershed Rehabilitation Program.

Distribution: Funds will be distributed to rehabilitate aging flood control structures nationwide.

Prioritization: Funds must be allocated to projects that can be fully funded and completed with the funds appropriated in the Recovery Act, and funds must be allocated to activities that can commence promptly following enactment of the Recovery Act.

Shovel-Ready Deadlines: The Natural Resources Conservation Service (NRCS) must obligate 100 percent of funds by September 30, 2010.

Transparency and Accountability Requirements: Each recipient that received Recovery Act funds from a Federal agency must submit a quarterly report to that agency no later than 10 days after the end of each calendar quarter (beginning July 10, 2009). Each agency shall make such information publicly available by posting the information on a website no later than 30 days after the end of each calendar quarter (beginning July 30, 2009). These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[37]

Recovery Act Implementation: On April 6, 2009, NRCS announced the distribution of approximately $45 million in Recovery Act funds through this program.

State	Project	Funding
Arkansas	Poteau River 5	$1,495,000
Georgia	Little Sandy & Trail 1	$840,000
Georgia	Marbury 22	$300,000
Georgia	Sandy Creek 23	$1,675,000
Georgia	Sandy Creek 15	$1,975,000
Georgia	South River 4	$1,375,000
Georgia	South River 10	$150,000
Kansas	Switzler Creek 7	$1,135,000
Massachusetts	Su-As-Co MA301	$2,357,400
Massachusetts	Su-As-Co MA303	$2,007,000
Missouri	Lost Creek B-2	$400,000
Nebraska	Papio W-3	$1,170,000
New York	Little Choconut 2	$344,200

[37] *Id.* § 1512.

New York	Conewango 3	$1,200,000
New York	Conewango 6	$1,200,000
Oklahoma	Cottonwood Creek 15	$3,610,000
Oklahoma	Sallisaw Creek 18	$4,160,000
Oklahoma	Upper Clear Boggy Creek 33	$1,010,000
Oklahoma	Upper Clear Boggy Creek 34	$960,000
Oklahoma	Upper Clear Boggy Creek 35	$840,000
Oklahoma	Washita–Sugar Creek L-43	$1,645,000
Oklahoma	Washita–Sugar Creek L-44	$1,790,000
Texas	Calaveras Creek 6	$2,373,000
Texas	Plum Creek 5	$2,452,000
Virginia	Pohick Creek 2	$2,195,000
Virginia	Pohick Creek 3	$2,160,000
West Virginia	Potomac–New Creek-Whites 14	$4,050,000
Total		$44,868,600

Economic Impact: Creates approximately 1,400 jobs and $250 million of economic activity.

WATERSHED AND FLOOD PREVENTION OPERATIONS – $290 MILLION

Recovery Act: Provides $145 million for watershed operations, and $145 million for floodplain easements.

Distribution: Funds will be distributed by NRCS to improve water quality, increase water supply, decrease soil erosion, and improve fish and wildlife habitat in rural communities.

Prioritization: Funds must be allocated to projects that can be fully funded and completed with the funds appropriated in the Recovery Act, and funds must be allocated to activities that can commence promptly following enactment of the Recovery Act.

Shovel-Ready Deadlines: NRCS must obligate 100 percent of funds by September 30, 2010.

Transparency and Accountability Requirements: Each recipient that received Recovery Act funds from a Federal agency must submit a quarterly report to that agency no later than 10 days after the end of each calendar quarter (beginning July 10, 2009). Each agency shall make such information publicly available by posting the information on a website no later than 30 days after the end of each calendar quarter (beginning July 30, 2009). These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[38]

Recovery Act Implementation: On April 16, 2009, NRCS announced the distribution of $84.8 million to state and local governments. This funding is pursuant to NRCS's authority for watershed operations under the Watershed Protection and Flood Prevention Act of 1954 (P.L. 83-566), and designated watersheds authorized by the Flood Control Act of 1944 (P.L. 78-534).

Location	Project	Funding
Arkansas	Upper Petit Jean	$134,000
California	Stemple Creek	$275,000
California	Lower Silver Creek	$10,000,000
Colorado	Beaver Creek	$2,500,000
Colorado	Highline Breaks	$629,000
Colorado	Holbrook Lake Ditch	$185,000
Colorado	Limestone-Graveyard Creeks	$187,000
Colorado	Trinidad Lake North	$79,000
Iowa	Mill Creek	$57,500
Iowa	Hacklebarney	$161,000

[38] *Id.* § 1512.

Iowa	East Fork of The Grand River	$1,258,250
Idaho	Southern Washington County Water Quality Project	$430,000
Kansas	Big Caney	$214,000
Kentucky	Fox Creek	$4,092,880
Louisiana	Bayou Duralde-Lower Nezpique	$1,270,000
Louisiana	Red Bayou	$3,200,000
Minnesota	Whitewater River	$299,000
Minnesota	Kanaranzi-Little Rock	$245,000
Missouri	East Yellow Creek	$420,000
Missouri	West Fork of Big Creek	$950,000
Missouri	Upper Locust Creek	$1,730,000
Missouri	Big Creek-Hurricane Creek	$950,000
Missouri	East Fork of Big Creek	$850,000
Montana	Buffalo Rapids	$281,000
Nebraska	Blackwood Creek	$2,000,000
New York	New York City Watersheds	$1,000,000
North Carolina	Swan Quarter Watershed	$5,280,858
Oklahoma	Upper Red Rock Creek	$60,000
Oklahoma	Stillwater Creek	$40,000
Oklahoma	Turkey Creek	$1,670,000
Pennsylvania	Tulpehocken Creek	$1,375,000
Pennsylvania	Red-White Clay Creeks	$430,000
Pennsylvania	Brandywine Creek	$20,000
Pennsylvania	Neshaminy Creek	$10,075,000
Northern Marianas (Saipan)	Kagman	$4,150,000
Texas	Elm Creek (Cen-Tex)	$746,000
Texas	Caney Creek	$399,000
Texas	Trinity - Big Sandy Creek	$369,000
Texas	Lower Brushy Creek	$2,502,000
Texas	Plum Creek	$1,335,000
Texas	Trinity - Little Elm & Laterals	$1,508,000
Texas	Trinity - Chambers Creek	$8,558,000
Texas	Trinity - East Fork Above Lavon	$666,000
Texas	Trinity - Hickory Creek	$658,000
Texas	Trinity - Pilot Grove	$744,000
Texas	Trinity - Richland Creek	$3,125,000
Texas	Upper Brushy Creek	$930,000
Virginia	Little Reed Island Creek	$225,300
Virginia	Chestnut Creek	$367,700
Virginia	North Fork Powell River	$380,000
Washington	Omak Creek	$625,000
West Virginia	Upper Deckers Creek	$2,100,000
West Virginia	Upper Tygart	$3,025,000
Total		$84,761,488

Regarding funding for floodplain easements, on March 26, 2009, Secretary Vilsack announced an extension of the sign-up period to April 10, 2009, for floodplain easement assistance, to ensure that landowners impacted by the recent flooding in states like North Dakota and Minnesota have an opportunity to apply for this assistance.

Economic Impact: **Creates approximately 8,000 jobs and $1.4 billion of economic activity.**

INTERNATIONAL BOUNDARY & WATER COMMISSION – $220 MILLION

Recovery Act: Provides $224 million to the United States Section of the International Boundary & Water Commission (IBWC) to carry out immediate repair and rehabilitation requirements of existing water supply infrastructure along the U.S.-Mexican border.

Distribution: These funds will allow rehabilitation of approximately 170 miles of deficient levees, including Rio Grande levees as well as levees in the interior floodways in the Lower Rio Grande Flood Control Project.

Prioritization: The IBWC has prioritized Recovery Act funds for projects necessary to raise levee heights and make structural repairs to ensure the levees provide adequate protection during the 100-year flood, a flood that has a 1 percent chance of occurring in any given year. The levee rehabilitation is intended to meet standards established by the Federal Emergency Management Agency (FEMA).

Shovel-Ready Deadlines: IBWC must obligate 100 percent of funds by September 30, 2010.

Transparency and Accountability Requirements: IBWC must submit a detailed spending plan for funds appropriated under the Recovery Act to the Committees on Appropriations within 90 days of enactment of the Recovery Act (May 18, 2009).[39]

Each recipient that received Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days after the end of each calendar quarter (beginning July 10, 2009). Each agency shall make such information publicly available by posting the information on a website no later than 30 days after the end of each calendar quarter (beginning July 30, 2009). These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[40]

Recovery Act Implementation: On March 9, 2009, IBWC released a list of projects to be undertaken with the Recovery Act funds:

Upper Rio Grande River
- West Levee – Hatch Siphon to Bignell Arroyo
- West Levee – Shalem Bridge in Doña Ana County to near Country Club Bridge in El Paso County
- West Levee – at Anapra
- East Levee – Mesilla Dam to Vinton Bridge

[39] *Id.* Title XI.
[40] *Id.* § 1512.

- East Levee/Canutillo Floodwall – Vinton Bridge to Borderland Bridge
- East Levee – Borderland Bridge to near Country Club Bridge
- East Levee – Rio Grande Power Plant to American Dam
- U.S. Levee – Fabens area
- U.S. Levee – Fort Hancock area
- U.S. Levee – downstream from Ysleta-Zaragoza Port of Entry to Fort Quitman

Lower Rio Grande River
- U.S. Rio Grande Levee - Hidalgo Loop Levee Phase I and II
- U.S. Rio Grande Levee - Mission Levee and Culverts at Edinburg Pump
- U.S. Rio Grande Levee - Lateral A to Retamal Dam
- North Levee of the Main and North Floodways – Granjeño to Hidalgo-Cameron County line
- South Levee of the Main and North Floodways – start of floodway to Baseline Road
- Arroyo Colorado – Divisor Dike to Hidalgo-Cameron County line

Economic Impact: Creates approximately 6,100 jobs and $1.1 billion of economic activity.

U.S. ARMY CORPS OF ENGINEERS – $4.6 BILLION

Recovery Act:

1. **Provides an additional $2.0 billion for the Corps of Engineers Construction program;**
2. **Provides an additional $2.075 billion for the Corps of Engineers Operations and Maintenance program;**
3. **Provides an additional $375 million for the Corps of Engineers Mississippi River and Tributaries program;**
4. **Provides an additional $100 million for the Corps of Engineers Formerly Utilized Remedial Action Program;**
5. **Provides an additional $25 million for the Corps of Engineers Investigations program; and**
6. **Provides an additional $25 million for the Corps of Engineers Regulatory Program.**

Distribution: Distributes funds to the Corps of Engineers, which will determine the distribution of funds through its existing project selection process. Water resources development projects include navigation, flood control, hurricane and storm damage reduction, shoreline protection, hydroelectric power, recreation, water supply, environmental infrastructure, environmental protection, restoration and enhancement, and fish and wildlife mitigation projects.

Prioritization: Requires that funds be used for programs, projects or activities (or elements of programs, projects, or activities) that can be completed within the funds made available in the Recovery Act, and that will not require new budget authority to complete.

Shovel-Ready Deadlines: The Corps must obligate 100 percent of the funds by September 30, 2010.

Transparency and Accountability Requirements: Beginning 45 days after the date of enactment of the Recovery Act (April 3, 2009), the Corps must submit quarterly reports to the Committees on Appropriations detailing the allocation, obligation, and expenditures of these funds.[41]

Each recipient that received Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days after the end of each calendar quarter (beginning July 10, 2009). Each agency shall make such information publicly available by posting the information on a website no later than 30 days after the end of each calendar quarter (beginning July 30, 2009). These

[41] *Id.* Title IV.

reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[42]

Recovery Act Implementation: The Corps has identified many potential Civil Works projects that meet the criteria of the legislation for funding. Selected projects should be geographically distributed across the U.S. and across Corps programs to provide the nation with inland and coastal navigation, environmental, flood risk management, hydropower, and recreation improvements.

The Corps has submitted a proposed project list to the Office of Management and Budget for approval. Upon approval, the Corps will issue funds to the executing Divisions and Districts to initiate the selected contracting actions.

By May 1, 2009, the Corps will complete its agency-wide and program-specific Recovery Act plans.

Economic Impact: Creates approximately 139,000 jobs and $23 billion of economic activity.

[42] *Id.* § 1512.

FEDERAL BUILDINGS
GENERAL SERVICES ADMINISTRATION – $5.55 BILLION

Recovery Act:

1. **Provides $4.5 billion to convert GSA Federal buildings to High-Performance Green Buildings as defined in section 401 of P.L. 110-140, the Energy Independence and Security Act of 2007;**

2. **Provides $750 million for repair, alteration, and construction of Federal buildings and U.S. courthouses, and according to Joint Explanatory Statement of the Committee of Conference, of which $450 million shall be for a new headquarters for the Department of Homeland Security; and**

3. **Provides $300 million for border stations and land ports of entry.**

Distribution: Distributes funds through existing GSA prospectus and non-prospectus programs. GSA would determine the distribution of funds through its existing administrative processes.

Prioritization: According to Joint Explanatory Statement of the Committee of Conference, with regard to funding for High-Performance Green Buildings, funds are focused on projects that will, throughout the life-cycle of the building, reduce energy, water, and material resource use, improve indoor environmental quality, and reduce negative impacts on the environment, including air and water pollution and waste generation.[43] With regard to funds that are used for new U.S. courthouse construction, GSA is advised to consider projects for which the design provides courtroom space for senior judges for up to ten years from eligibility for senior status, not to exceed one courtroom for every two senior judges.

Shovel-Ready Deadlines: Requires GSA to obligate not less than $5 billion of the funds by September 30, 2010, and the remainder not later than September 30, 2011.

Transparency and Accountability Requirements: GSA must submit a detailed plan, by project, regarding the use of funds made available in this Act to the Committees on Appropriations within 45 days of enactment of the Recovery Act (April 3, 2009), and shall provide notification to said Committees within 15 days prior to any changes regarding the use of these funds.[44]

Each recipient that received Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days after the end of each calendar quarter (beginning July 10, 2009). Each agency shall make such information publicly available by posting the information on a website no later than 30 days after the end of each calendar quarter (beginning July 30, 2009). These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list

[43] *See* Energy Independence and Security Act of 2007, Pub. L. No. 110-140, § 401 (2007).
[44] *Id.* Title V.

of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[45]

Recovery Act Implementation: The Recovery Act provides $5.55 billion to GSA, including $4.5 billion to convert Federal buildings to high-performance green buildings, $750 million for repair, alteration, and construction of Federal buildings and U.S. courthouses (of which $450 million is for a new headquarters for the Department of Homeland Security), and $300 million for border stations and land ports of entry. GSA has established a national Program Management Office to oversee Recovery Act projects. The Office is now staffed and operational.

On March 31, 2009, GSA released a plan detailing how it will spend the $5.55 billion provided by the Recovery Act. GSA selected the best projects for accomplishing the goals of the Recovery Act based on two over-arching criteria:

- the ability of the project to put people back to work quickly; and
- transforming Federal buildings into high-performance green buildings.

The plan comprises hundreds of projects in all 50 States, Washington, DC, and two U.S. Territories, including:

- constructing 10 Federal buildings and courthouses in five states, Washington, DC, and Puerto Rico ($733.7 million);
- constructing five border stations and land ports of entry in five states on the U.S.-Mexico and U.S.-Canada borders ($300 million);
- modernizing 43 Federal buildings and courthouses in 20 states, Washington, DC, and Puerto Rico with major projects to convert facilities to high-performance green buildings ($3.17 billion);
- modernizing 194 Federal buildings and courthouses in 48 states, Washington, DC, Puerto Rico, and the Virgin Islands with limited-scope projects to convert facilities to high-performance green buildings ($806.9 million); and
- modernizing Federal buildings and courthouses with small projects to convert facilities to high-performance green buildings ($298.6 million).

Each major modernization project will meet the energy efficiency and conservation requirements of the Energy Independence and Security Act of 2007 (P.L. 110-140). Each limited-scope modernization project will all include advanced meters for electricity and water. In addition, if the limited-scope project includes roof replacement, the roof will be replaced with integrated photovoltaic membrane (if flat and in the appropriate geography), maximum reasonable insulation for the climatic zone (R-50 in colder climates), or a green roof if an integrated photovoltaic roof is not warranted.

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[45] *Id.* § 1512.

Examples of projects to be funded include:

- construction of the Department of Homeland Security headquarters at St. Elizabeths in Washington, DC ($450 million);
- construction of the Nogales West U.S. Land Port of Entry in Nogales, Arizona ($199.5 million);
- modernization of the Whipple Federal Building in Fort Snelling, Minnesota, to convert the building to a high-performance green building ($115 million); and
- modernization of the Edith Green-Wyndell Wyatt Federal Building in Portland, Oregon ($133 million).

The spending plan, including the complete list of projects, is posted at: http://www.gsa.gov/graphics/pbs/American_Recovery_and_Reinvestment_Act_2009.pdf.

On April 14, 2009, GSA awarded a contract for the final phase of the renovation of the Thurgood Marshall Building in New York City, New York. This will complete the modernization of this historic U.S. courthouse.

Economic Impact: Creates approximately 154,000 jobs and $27.5 billion of economic activity.

Smithsonian Institution – $25 Million

Recovery Act: Provides $25 million for repair and revitalization of existing Smithsonian Institution facilities.

Distribution: Distributes funds through the Smithsonian Institution's existing administrative processes.

Shovel-Ready Deadlines: The Smithsonian Institution must obligate 100 percent of the funds by September 30, 2010.

Transparency and Accountability Requirements: The Smithsonian Institution must submit a general plan for expenditures of such funds to the Committees on Appropriations within 30 days of enactment of the Recovery Act (March 19, 2009).[46]

Each recipient that received Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days after the end of each calendar quarter (beginning July 10, 2009). Each agency shall make such information publicly available by posting the information on a website no later than 30 days after the end of each calendar quarter (beginning July 30, 2009). These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[47]

Recovery Act Implementation: The Smithsonian Institution has announced that the funds will be used as follows:

Arts and Industries Building - Washington, DC ($4.6 million):

- masonry repointing of failed joints to stop the ingress of water; and
- hazardous material removal and selective demolition.

National Zoological Park ($11.4 million):

- fire protection projects at Rock Creek campus (Washington, DC) and Conservation Research Center (Front Royal, Virginia);
- replace roofs at Rock Creek campus and Conservation Research Center;
- replace deteriorated animal-holding facilities at Conservation Research Center; and

[46] *Id.* § 701.
[47] *Id.* § 1512.

- repair bridges at Rock Creek campus.

Other Smithsonian Projects ($9 million):

- install high-voltage electrical safety improvements at multiple locations on the National Mall (Washington, DC);
- install sewage backflow preventers on potable water lines at multiple locations off the National Mall, including the largest project at the Museum Support Center (Suitland, Maryland);
- install two emergency generators at the Smithsonian Environmental Research Center (Edgewater, Maryland);
- refurbish or replace elevators and escalators at the National Air and Space Museum and National Museum of American History (Washington, DC); and
- temporary/contract support - approximately four personnel.

Smithsonian project managers have finalized independent government estimates of project costs. The Office of Contracting has received the Recovery Act funds to start the acquisition process and pre-solicitation notices have been posted at: www.FedBizOpps.gov.

As of April 17, 2009, four contracts have been awarded. For the latest progress information on the Smithsonian Recovery Act projects, see: http://www.si.edu/recovery/.

Economic Impact: Creates approximately 700 jobs and $124 million of economic activity.

ECONOMIC DEVELOPMENT ADMINISTRATION – $150 MILLION

Recovery Act: Provides $150 million for EDA's economic development programs, of which not less than $50 million shall be for economic adjustment assistance under section 209 of the Public Works and Economic Development Act of 1965, and up to $50 million may be transferred to federally authorized regional economic development commissions.[48]

Distribution: Distributes funds to local partners through EDA's existing regional allocation and project selection processes. EDA may transfer funds to the Appalachian Regional Commission, the Delta Regional Authority, the Northern Great Plains Regional Authority, the Northern Border Regional Commission, the Southeast Crescent Regional Commission, and the Southwest Border Regional Commission. These Federally authorized regional economic development commissions may assist eligible applicants in submitting applications to EDA, or may seek transfers directly from EDA.

Prioritization: Of the $150 million provided, not less than $50 million must be allocated for economic adjustment assistance under Section 209 of the Public Works and Economic Development Act of 1965. EDA will allocate the remaining $100 million to either the Public Works and Economic Development Facilities Program or the Economic Adjustment Assistance Program, depending on demonstrated needs.

With regard to funding for economic adjustment assistance, the Secretary of Commerce shall give priority consideration to areas of the nation that have experienced sudden and severe economic dislocation and job loss due to corporate restructuring.

Shovel-Ready Deadlines: EDA must obligate 100 percent of the funds by September 30, 2010.

Transparency and Accountability Requirements: Each recipient that received Recovery Act funds from a Federal agency must submit a quarterly report to that agency no later than 10 days after the end of each calendar quarter (beginning July 10, 2009). Each agency shall make such information publicly available by posting the information on a website no later than 30 days after the end of each calendar quarter (beginning July 30, 2009). These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[49]

Recovery Act Implementation: On March 11, 2009, EDA published guidance explaining the requirements of the Recovery Act and EDA's planned process for distributing the funds provided by the Recovery Act. The guidance is posted at: http://www.eda.gov/PDF/FY09%20ARRA%20FFO%20-%20FINAL.pdf.

[48] *Id.* Title II.
[49] *Id.* § 1512.

Priority consideration will be given to those areas that have experienced sudden and severe economic dislocation and job loss due to corporate restructuring. Funds will be disbursed through EDA's six Regional Offices in the form of grants to states, local government entities and eligible non-profits to create jobs and generate private sector investment by promoting comprehensive, entrepreneurial, and innovation-based economic development efforts.

On April 22, 2009, EDA issued a Recovery Act Spending Plan, detailing how it intends to allocate the $150 million in Recovery Act funding. Within the $150 million total, EDA intends to fund at least $135 million in public works grants, which support the "brick and mortar" infrastructure investments contemplated by the Recovery Act. EDA will give preference to projects that have the potential to quickly stimulate job creation and promote regional economic development, such as investments that support science and technology parks, industrial parks, business incubators, and other investments that spur entrepreneurship and innovation.

EDA will work with the federally authorized regional commissions to identify infrastructure and other grant investments that may be eligible for EDA assistance and that EDA will consider as part of its competitive review of prospective ARRA applications.

In response to the Recovery Act's requirement that EDA "give priority consideration to areas of the Nation that have experienced sudden and severe economic dislocation and job loss due to corporate restructuring", EDA has decided to allocate funding to its regional offices using a hybrid of its traditional allocation formula. EDA's proposed allocation drops lagging economic indicators in favor of a single allocation metric, three-month unemployment figures. According to EDA, these are the most contemporary data on unemployment that are available and best represent current economic conditions for the purposes of EDA's allocation. As such, the allocation of funds to EDA's regional offices will be as follows based on the most recent three-month unemployment figures available:

EDA Regional Office	**Funding**
Philadelphia	$32,903,866
Atlanta	$30,392,752
Denver	$9,237,948
Chicago	$27,749,378
Seattle	$33,473,004
Austin	$13,243,052
Total	**$147,000,000**

<u>Economic Impact</u>: Create approximately 4,200 jobs and $744 million of economic activity.

FEDERAL EMERGENCY MANAGEMENT AGENCY – $210 MILLION

Recovery Act: Provides $210 for Firefighter Assistance Grants, for modifying, upgrading, or constructing non-Federal fire stations.

Distribution: Distributes funds through FEMA's existing competitive grant processes. No grant shall exceed $15 million.

Shovel-Ready Deadlines: FEMA must obligate 100 percent of the funds by September 30, 2010.

Transparency and Accountability Requirements: Each recipient that received Recovery Act funds from a Federal agency must submit a quarterly report to that agency no later than 10 days after the end of each calendar quarter (beginning July 10, 2009). Each agency shall make such information publicly available by posting the information on a website no later than 30 days after the end of each calendar quarter (beginning July 30, 2009). These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[50]

Recovery Act Implementation: FEMA will issue grant guidance by June or July 2009, receive and review grant applications during July or August 2009, and award grants September through December 2009.

Economic Impact: Creates approximately 5,800 jobs and $1 billion of economic activity.

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[50] *Id.* § 1512.

COAST GUARD
ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS – $98 MILLION

Recovery Act: Provides $98 million for the Coast Guard's Acquisition, Construction, and Improvements program to fund ready-to-go Coast Guard shore facility repair projects. This funding cannot be used for pre-acquisition survey, design, or construction of a new polar icebreaker.

Distribution: Distributes funds through the Coast Guard's existing administrative processes.

Prioritization: Funds are to be used for shore facilities and aids to navigation facilities; for materials and labor cost increases of priority procurements; and for costs to repair, renovate, assess, or improve vessels.

Shovel-Ready Deadlines: The Coast Guard must obligate 100 percent of the funds by September 30, 2010.

Transparency and Accountability Requirements: The Coast Guard must submit a plan for the expenditure of these funds to the Committees on Appropriations within 45 days of enactment of the Recovery Act (April 3, 2009).[51]

Each recipient that received Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days after the end of each calendar quarter (beginning July 10, 2009). Each agency shall make such information publicly available by posting the information on a website no later than 30 days after the end of each calendar quarter (beginning July 30, 2009). These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[52]

Recovery Act Implementation: Preliminary planning documentation and outlay projections have been completed on all shore infrastructure projects (a total of eight projects). Analysis, planning, and preliminary engineering design documentation have been completed on vessel repair/acquisition projects, including the High Endurance Cutter and National Security Cutter.

Economic Impact: Creates approximately 2,700 jobs and $500 million of economic activity.

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[51] *Id.* Title VI.
[52] *Id.* § 1512.

<u>COAST GUARD</u>
<u>BRIDGE ALTERATIONS – $142 MILLION</u>

<u>Recovery Act</u>: **Provides $142 million for the Coast Guard's Alteration of Bridges program, which funds the removal or alteration of bridges that are safety hazards or unreasonable obstructions to navigation.**

<u>Distribution</u>: Distributes funds through the Coast Guard's existing administrative processes.

<u>Prioritization</u>: The Coast Guard shall award these funds to those bridges that are ready to proceed to construction.

<u>Shovel-Ready Deadlines</u>: The Coast Guard must obligate 100 percent of funds by September 30, 2010.

<u>Transparency and Accountability Requirements</u>: The Coast Guard must submit a plan for the expenditure of these funds to the Committees on Appropriations within 45 days of enactment of the Recovery Act (April 3, 2009).[53]

Each recipient that received Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days after the end of each calendar quarter (beginning July 10, 2009). Each agency shall make such information publicly available by posting the information on a website no later than 30 days after the end of each calendar quarter (beginning July 30, 2009). These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[54]

<u>Recovery Act Implementation:</u> Bid documents have been completed for two alteration of bridge projects:

- Mobile Bridge project over the Mobile River in Hurricane, Alabama; and
- Elgin, Joliet, and Eastern Railway Co. Bridge project over the Illinois Waterway in Divine, Illinois.

<u>Economic Impact</u>: **Create approximately 4,000 jobs and $700 million of economic activity.**

[53] *Id.* Title VI.
[54] *Id.* § 1512.

MARITIME ADMINISTRATION
SMALL SHIPYARD GRANTS – $100 MILLION

Recovery Act: Provides $100 million for grants to small shipyards for capital improvement and worker training as authorized by section 54101 of title 46, U.S.C.

Distribution: Distributes funds through the Maritime Administration's existing competitive grant program. The purpose of the grants is to make capital and infrastructure improvements that facilitate the efficiency, cost-effectiveness and quality of domestic ship construction, conversion or repair for commercial and federal government use. This program generally provides 75 percent Federal funds with 25 percent matching funds from the grant recipient. Grant funds may also be used for maritime training programs to foster technical skills and operational productivity.

Of the $100 million, $75 million is reserved for shipyards with 600 employees or fewer, and up to $25 million may be awarded to shipyards with up to 1,200 employees.

Shovel-Ready Deadlines: The Secretary of Transportation shall ensure that funds provided under this program shall be obligated within 180 days of the date of their distribution.

Transparency and Accountability Requirements: Grant recipients must submit periodic reports to the Maritime Administration of the Department of Transportation on the use of Recovery Acts no later than 90 days (May 18, 2009), 180 days (August 16, 2009), one year (February 17, 2010), two years (February 17, 2011), and three years (February 17, 2012) after the date of enactment of the Recovery Act. These reports will be collected and compiled by the Maritime Administration of the Department of Transportation and transmitted to Congress.

Each recipient that received Recovery Act funds from a Federal agency must also submit a quarterly report to that agency no later than 10 days after the end of each calendar quarter (beginning July 10, 2009). Each agency shall make such information publicly available by posting the information on a website no later than 30 days after the end of each calendar quarter (beginning July 30, 2009). These reports include the amount of Recovery Act funds received, expended, and obligated, a detailed list of all projects for which Recovery Act funds were expended or obligated, and detailed information on any subcontracts or subgrants awarded by the recipient.[55]

Recovery Act Implementation: Grant applications were due by April 20, 2009, and awards will be made by the Maritime Administration by August 17, 2009. As of April 20, 2009, the Maritime Administration had received more than 400 grant applications.

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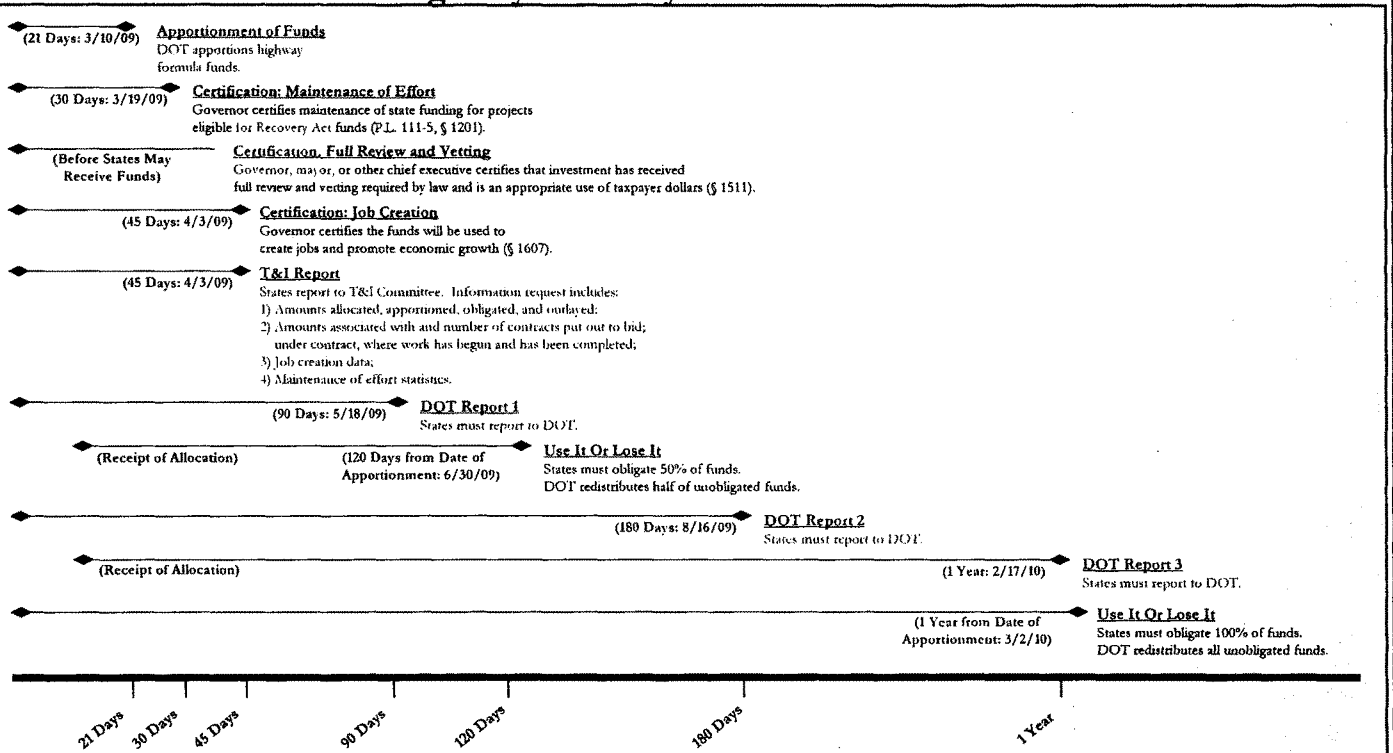
[55] *Id.* § 1512.

For more information, see:
http://www.marad.dot.gov/ships_shipping_landing_page/small_shipyard_grants/small_shipyard_grants.htm?printable=true.

<u>Economic Impact</u>: Creates approximately 2,800 jobs and $500 million of economic activity.

Process for Ensuring Transparency and Accountability in Use of Highway Recovery Act Funds – Year 1



Additional T&I Committee Infrastructure Investment
Formula Funding provided under P.L. 111-5,
the American Recovery and Reinvestment Act of 2009

State	Highways and Bridges	Transit Capital	Fixed-Guideway Modernization	Clean Water SRF	T&I Comm. Infrastructure Investment Total
Alabama	$513,692,083	$46,459,047	N/A	$43,821,558	$603,972,688
Alaska	$175,461,487	$41,632,703	N/A	$23,454,981	$240,549,171
Arizona	$521,958,401	$99,921,878	$640,070	$26,469,630	$648,989,979
Arkansas	$351,544,468	$28,409,450	N/A	$25,636,545	$405,590,463
California	$2,569,568,320	$1,002,276,804	$66,171,889	$280,285,335	$3,918,302,348
Colorado	$403,924,130	$102,715,664	$753,399	$31,348,152	$538,741,345
Connecticut	$302,053,956	$105,495,951	$32,030,396	$48,010,347	$487,590,650
Delaware	$121,828,650	$17,643,474	N/A	$19,239,066	$158,711,190
District of Columbia	$123,507,842	$111,026,519	$13,888,380	$19,239,066	$267,661,807
Florida	$1,346,735,003	$310,785,947	$5,410,766	$132,286,374	$1,795,218,090
Georgia	$931,585,680	$136,180,672	$7,380,854	$66,261,294	$1,141,408,500
Hawaii	$125,746,380	$43,582,582	$254,793	$30,352,311	$199,936,066
Idaho	$181,934,631	$18,398,968	N/A	$19,239,066	$219,572,665
Illinois	$935,592,704	$371,448,884	$96,088,797	$177,243,066	$1,580,373,451
Indiana	$657,967,707	$78,427,240	$5,858,540	$94,447,485	$836,700,972
Iowa	$358,162,431	$36,483,617	N/A	$53,040,042	$447,686,090
Kansas	$347,817,167	$30,727,408	N/A	$35,374,185	$413,918,760
Kentucky	$421,094,991	$50,295,172	N/A	$49,878,081	$521,268,244
Louisiana	$429,859,427	$63,308,870	$2,425,343	$43,081,434	$538,675,074
Maine	$130,752,032	$13,266,106	N/A	$30,336,768	$174,354,906
Maryland	$431,034,777	$163,996,393	$15,265,694	$94,784,580	$705,081,444
Massachusetts	$437,865,255	$267,355,159	$52,362,925	$133,057,188	$890,640,527
Michigan	$847,204,834	$134,823,341	$133,125	$168,508,989	$1,150,670,289
Minnesota	$502,284,177	$92,241,542	$1,851,573	$72,031,014	$668,408,306
Mississippi	$354,564,343	$25,466,306	N/A	$35,308,350	$415,338,999
Missouri	$637,121,984	$83,844,094	$1,289,449	$108,641,808	$830,897,335
Montana	$211,793,391	$15,611,710	N/A	$19,239,066	$246,644,167
Nebraska	$235,589,279	$23,309,592	N/A	$20,045,025	$278,943,896
Nevada	$201,352,460	$49,463,771	N/A	$19,239,066	$270,055,297
New Hampshire	$129,440,556	$13,164,584	N/A	$39,163,905	$181,769,045
New Jersey	$651,774,480	$447,395,727	$76,835,714	$160,146,855	$1,336,152,776
New Mexico	$252,644,377	$27,749,995	N/A	$19,239,066	$299,633,438
New York	$1,120,684,723	$967,435,186	$254,817,805	$432,563,967	$2,775,501,681
North Carolina	$735,526,684	$103,304,242	N/A	$70,729,065	$909,559,991
North Dakota	$170,126,497	$10,997,090	N/A	$19,239,066	$200,362,653
Ohio	$935,677,030	$167,035,629	$12,772,779	$220,623,381	$1,336,108,819
Oklahoma	$464,655,225	$39,163,565	N/A	$31,662,081	$535,480,871
Oregon	$333,902,389	$74,591,211	$1,125,728	$44,271,018	$453,890,346
Pennsylvania	$1,026,429,012	$263,399,365	$80,303,844	$155,237,544	$1,525,369,765
Rhode Island	$137,095,725	$29,488,347	$63,943	$26,314,596	$192,962,611
South Carolina	$463,081,483	$41,154,218	N/A	$40,148,163	$544,383,864
South Dakota	$183,027,359	$11,289,101	N/A	$19,239,066	$213,555,526
Tennessee	$572,701,043	$71,988,324	$28,040	$56,930,445	$701,647,852
Texas	$2,250,015,146	$371,915,095	$2,609,607	$179,122,284	$2,803,662,132
Utah	$213,545,653	$58,084,648	N/A	$20,650,014	$292,280,315
Vermont	$125,791,291	$5,680,572	N/A	$19,239,066	$150,710,929
Virginia	$694,460,823	$111,896,119	$4,209,386	$80,203,266	$890,769,594
Washington	$492,242,337	$172,347,328	$6,699,276	$68,152,095	$739,441,036
West Virginia	$210,852,204	$18,366,136	$309,339	$61,092,108	$290,619,787
Wisconsin	$529,111,915	$81,397,594	$243,232	$105,948,315	$716,701,056
Wyoming	$157,616,058	$9,300,398	N/A	$19,239,066	$186,155,522
American Samoa	*	$341,099	N/A	$3,454,000	$3,795,099
Guam	*	$921,976	N/A	$2,471,500	$3,393,476
Northern Marianas	*	$1,114,292	N/A	$1,551,700	$2,665,992
Puerto Rico	$105,000,000	$68,295,183	$675,314	$51,114,195	$225,084,692
Virgin Islands	*	$1,284,112	N/A	$1,962,700	$3,246,812
Total	**$26,810,000,000**	**$6,733,700,000**	**$742,500,000**	**$3,869,608,399**	**$38,155,808,399**

*The Territorial Highway Program receives $45,000,000 under P.L. 111-5

This table was prepared by the Committee on Transportation and Infrastructure Majority staff based on official publications by the U.S. Department of Transportation and the U.S. Environmental Protection Agency.

Additional T&I Committee Infrastructure Investment Formula Funding provided under P.L. 111-5, the American Recovery and Reinvestment Act of 2009

Highways and Bridges

State	Total Investment
Alabama	$513,692,083
Alaska	$175,461,487
Arizona	$521,958,401
Arkansas	$351,544,468
California	$2,569,568,320
Colorado	$403,924,130
Connecticut	$302,053,956
Delaware	$121,828,650
District of Columbia	$123,507,842
Florida	$1,346,735,003
Georgia	$931,585,680
Hawaii	$125,746,380
Idaho	$181,934,631
Illinois	$935,592,704
Indiana	$657,967,707
Iowa	$358,162,431
Kansas	$347,817,167
Kentucky	$421,094,991
Louisiana	$429,859,427
Maine	$130,752,032
Maryland	$431,034,777
Massachusetts	$437,865,255
Michigan	$847,204,834
Minnesota	$502,284,177
Mississippi	$354,564,343
Missouri	$637,121,984
Montana	$211,793,391
Nebraska	$235,589,279
Nevada	$201,352,460
New Hampshire	$129,440,556
New Jersey	$651,774,480
New Mexico	$252,644,377
New York	$1,120,684,723
North Carolina	$735,526,684
North Dakota	$170,126,497
Ohio	$935,677,030
Oklahoma	$464,655,225
Oregon	$333,902,389
Pennsylvania	$1,026,429,012
Rhode Island	$137,095,725
South Carolina	$463,081,483
South Dakota	$183,027,359
Tennessee	$572,701,043
Texas	$2,250,015,146
Utah	$213,545,653
Vermont	$125,791,291
Virginia	$694,460,823
Washington	$492,242,337
West Virginia	$210,852,204
Wisconsin	$529,111,915
Wyoming	$157,616,058
American Samoa	*
Guam	*
Northern Marianas	*
Puerto Rico	$105,000,000
Virgin Islands	*
Total	**$26,810,000,000**

* The Territorial Highway Program receives $45,000,000 under P.L. 111-5.

This table was prepared by the Committee on Transportation and Infrastructure Majority staff based on the Federal Highway Administration Notice entitle, "Apportionment of Highway Infrastructure Investment Funds Pursuant to the American Recovery and Reinvestment Act of 2009, Public Law Number 111-5" (N 4510.705)

P.L. 111-5, the American Recovery and Reinvestment Act of 2009

Distribution of Highway Infrastructure Funds to Large Urbanized Areas with Populations Greater than 200,000

Large Urbanized Area	Total Investment
Alabama	
Birmingham	$22,996,589
Columbus *(see also GA)*	$1,696,463
Huntsville	$7,389,965
Mobile	$11,006,128
Pensacola *(see also FL)*	$66,119
Large Urbanized Area Total	**$43,155,264**
Alaska	
Anchorage	$18,953,911
Large Urbanized Area Total	**$18,953,911**
Arizona	
Phoenix—Mesa	$88,723,493
Tucson	$21,987,460
Large Urbanized Area Total	**$110,710,953**
Arkansas	
Little Rock	$14,214,749
Memphis *(see also TN, MS)*	$1,497,529
Large Urbanized Area Total	**$15,712,278**
California	
Antioch	$4,952,061
Bakersfield	$9,015,241
Concord	$12,576,936
Fresno	$12,629,258
Indio—Cathedral City—Palm Springs	$5,800,160
Lancaster—Palmdale	$5,997,613
Los Angeles--Long Beach--Santa Ana	$268,311,943
Mission Viejo	$12,130,663
Modesto	$7,076,666
Oxnard	$7,683,091
Riverside—San Bernardino	$34,292,987
Sacramento	$31,714,031
San Diego	$60,866,357
San Francisco—Oakland	$73,478,454
San Jose	$35,009,791
Santa Rosa	$6,495,489
Stockton	$7,132,356
Temecula—Murrieta	$5,230,148
Thousand Oaks	$4,801,832
Victorville—Hesperia—Apple Valley	$4,561,638
Large Urbanized Area Total	**$609,756,706**
Colorado	
Colorado Springs	$13,131,818
Denver-Aurora	$55,919,268
Fort Collins	$5,824,860
Large Urbanized Area Total	**$74,875,946**
Connecticut	
Bridgeport- Stamford *(see also NY)*	$22,515,225
Hartford	$22,657,872
New Haven	$14,137,345
New York--Newark *(see also NY, NJ)*	$6,758
Springfield *(see also MA)*	$2,555,964
Worcester *(see also MA)*	$299,370
Large Urbanized Area Total	**$62,172,534**
Delaware	
Philadelphia *(see also PA, NJ, MD)*	$21,667,403
Large Urbanized Area Total	**$21,667,403**
District of Columbia	
Washington *(see also MD, VA)*	$37,052,353
Large Urbanized Area Total	**$37,052,353**

P.L. 111-5, the American Recovery and Reinvestment Act of 2009

Distribution of Highway Infrastructure Funds to Large Urbanized Areas with Populations Greater than 200,000

Large Urbanized Area	*Total Investment*
Florida	
Bonita Springs—Naples	$5,593,031
Cape Coral	$8,335,968
Daytona Beach—Port Orange	$6,455,100
Jacksonville	$22,303,644
Miami	$124,348,916
Orlando	$29,258,841
Palm Bay—Melbourne	$9,942,001
Pensacola *(see also AL)*	$8,136,718
Port St. Lucie	$6,844,929
Sarasota—Bradenton	$14,136,819
Tallahassee	$5,165,514
Tampa—St. Petersburg	$52,134,121
Large Urbanized Area Total	**$292,653,602**
Georgia	
Atlanta	$119,480,348
Augusta-Richmond County *(see also SC)*	$8,536,373
Chattanooga *(see also TN)*	$2,244,285
Columbus *(see also AL)*	$6,601,386
Savannah	$7,131,118
Large Urbanized Area Total	**$143,993,510**
Hawaii	
Honolulu	$22,362,203
Large Urbanized Area Total	**$22,362,203**
Idaho	
Boise City	$11,499,629
Spokane *(see also WA)*	$2,404
Large Urbanized Area Total	**$11,502,033**
Illinois	
Chicago *(see also IN)*	$175,253,359
Davenport *(see also IA)*	$3,140,381
Peoria	$5,586,123
Rockford	$6,111,395
Round Lake Beach–McHenry–Grayslake *(see also WI)*	$4,679,631
St. Louis *(see also MO)*	$8,077,088
Large Urbanized Area Total	**$202,847,977**
Indiana	
Chicago *(see also IL)*	$17,964,332
Cincinnati *(see also OH, KY)*	$147,544
Evansville *(see also KY)*	$6,018,496
Fort Wayne	$9,341,498
Indianapolis	$39,569,672
Louisville *(see also KY)*	$3,991,219
South Bend *(see also MI)*	$7,865,669
Large Urbanized Area Total	**$84,898,430**
Iowa	
Davenport *(see also IL)*	$4,834,731
Des Moines	$13,604,198
Omaha *(see also NE)*	$2,347,087
Large Urbanized Area Total	**$20,786,016**
Kansas	
Kansas City *(see also MO)*	$21,830,323
Wichita	$16,390,703
Large Urbanized Area Total	**$38,221,026**
Kentucky	
Cincinnati *(see also OH, IN)*	$8,761,860
Evansville *(see also IN)*	$831,184
Lexington-Fayette	$7,845,004
Louisville *(see also IN)*	$23,149,098
Large Urbanized Area Total	**$40,587,146**

P.L. 111-5, the American Recovery and Reinvestment Act of 2009

Distribution of Highway Infrastructure Funds to Large Urbanized Areas with Populations Greater than 200,000

Large Urbanized Area	Total Investment
Louisiana	
Baton Rouge	$13,822,686
New Orleans	$29,124,109
Shreveport	$7,941,611
Large Urbanized Area Total	**$50,888,406**
Maryland	
Baltimore	$50,692,900
Philadelphia *(see also PA, NJ, DE)*	$540,339
Washington *(see also DC, VA)*	$38,394,887
Large Urbanized Area Total	**$89,628,126**
Massachusetts	
Barnstable Town	$5,041,346
Boston *(see also NH, RI)*	$81,418,397
Providence *(see also RI)*	$5,121,580
Springfield *(see also CT)*	$9,880,286
Worcester *(see also CT)*	$8,661,262
Large Urbanized Area Total	**$110,122,871**
Michigan	
Ann Arbor	$7,260,438
Detroit	$99,823,268
Flint	$9,336,806
Grand Rapids	$13,786,198
Lansing	$7,672,888
South Bend *(see also IN)*	$874,641
Toledo *(see also OH)*	$704,603
Large Urbanized Area Total	**$139,458,842**
Minnesota	
Minneapolis—St. Paul	$73,163,386
Large Urbanized Area Total	**$73,163,386**
Mississippi	
Gulfport—Biloxi	$7,693,687
Jackson	$10,942,473
Memphis *(see also TN, AR)*	$2,463,503
Large Urbanized Area Total	**$21,099,663**
Missouri	
Kansas City *(see also KS)*	$27,304,447
Springfield	$7,344,697
St. Louis *(see also IL)*	$58,765,745
Large Urbanized Area Total	**$93,414,889**
Nebraska	
Lincoln	$9,358,051
Omaha *(see also IA)*	$23,240,085
Large Urbanized Area Total	**$32,598,136**
Nevada	
Las Vegas	$39,731,978
Reno	$9,180,280
Large Urbanized Area Total	**$48,912,258**
New Hampshire	
Boston *(see also MA, RI)*	$3,020,195
Large Urbanized Area Total	**$3,020,195**

P.L. 111-5,
the American Recovery and Reinvestment Act of 2009

Distribution of Highway Infrastructure Funds to Large Urbanized Areas with Populations Greater than 200,000

Large Urbanized Area	Total Investment
New Jersey	
Allentown–Bethlehem *(see also PA)*	$682,081
Atlantic City	$5,279,200
New York–Newark *(see also NY, CT)*	$137,772,415
Philadelphia *(see also PA, DE, MD)*	$25,300,842
Trenton	$6,238,742
Large Urbanized Area Total	**$175,273,280**
New Mexico	
Albuquerque	$24,924,537
El Paso *(see also TX)*	$1,097,329
Large Urbanized Area Total	**$26,021,866**
New York	
Albany	$9,902,850
Bridgeport–Stamford *(see also CT)*	$756,798
Buffalo	$17,304,223
New York–Newark *(see also NJ, CT)*	$210,315,412
Poughkeepsie-Newburgh	$6,236,056
Rochester	$12,302,597
Syracuse	$7,126,955
Large Urbanized Area Total	**$263,944,891**
North Carolina	
Asheville	$6,073,959
Charlotte *(see also SC)*	$20,142,669
Durham	$7,889,430
Fayetteville	$7,576,151
Greensboro	$7,343,577
Raleigh	$14,845,027
Winston-Salem	$8,204,518
Large Urbanized Area Total	**$72,075,331**
Ohio	
Akron	$14,098,401
Canton	$6,591,485
Cincinnati *(see also KY, IN)*	$30,124,316
Cleveland	$44,174,331
Columbus	$28,017,870
Dayton	$17,392,450
Toledo *(see also MI)*	$11,755,512
Youngstown *(see also PA)*	$9,334,790
Large Urbanized Area Total	**$161,489,155**
Oklahoma	
Oklahoma City	$33,670,253
Tulsa	$22,554,897
Large Urbanized Area Total	**$56,225,150**
Oregon	
Eugene	$6,559,641
Portland *(see also WA)*	$38,022,870
Salem	$6,067,190
Large Urbanized Area Total	**$50,649,701**
Pennsylvania	
Allentown–Bethlehem *(see also NJ)*	$13,716,595
Harrisburg	$9,096,206
Lancaster	$8,112,623
Philadelphia *(see also NJ, DE, MD)*	$89,603,248
Pittsburgh	$43,957,212
Reading	$6,024,254
Scranton	$9,659,230
Youngstown *(see also OH)*	$1,000,131
Large Urbanized Area Total	**$181,169,499**

P.L. 111-5, the American Recovery and Reinvestment Act of 2009

Distribution of Highway Infrastructure Funds to Large Urbanized Areas with Populations Greater than 200,000

Large Urbanized Area	Total Investment
Rhode Island	
Boston *(see also MA, NH)*	$43,784
Providence *(see also MA)*	$36,369,125
Large Urbanized Area Total	**$36,412,909**
South Carolina	
Augusta-Richmond County *(see also GA)*	$2,963,424
Charleston--North Charleston	$14,661,471
Charlotte *(see also NC)*	$836,210
Columbia	$14,561,988
Greenville	$10,464,110
Large Urbanized Area Total	**$43,487,203**
Tennessee	
Chattanooga *(see also GA)*	$8,388,329
Knoxville	$12,678,421
Memphis *(see also MS, AR)*	$26,220,169
Nashville-Davidson	$22,647,241
Large Urbanized Area Total	**$69,934,160**
Texas	
Austin	$29,196,497
Corpus Christi	$9,514,791
Dallas-Fort Worth--Arlington	$134,291,171
Denton-Lewisville	$9,705,718
El Paso *(see also NM)*	$20,991,780
Houston	$123,740,323
Lubbock	$6,546,325
McAllen	$16,934,953
San Antonio	$42,974,905
Large Urbanized Area Total	**$393,806,463**
Utah	
Ogden—Layton	$11,989,389
Provo—Orem	$8,711,774
Salt Lake City	$25,464,325
Large Urbanized Area Total	**$46,165,488**
Virginia	
Richmond	$24,100,374
Virginia Beach	$41,041,797
Washington *(see also DC, MD)*	$52,661,387
Large Urbanized Area Total	**$117,803,558**
Washington	
Portland *(see also OR)*	$7,126,452
Seattle	$67,952,226
Spokane *(see also ID)*	$8,388,183
Large Urbanized Area Total	**$83,466,861**
Wisconsin	
Madison	$9,752,260
Milwaukee	$38,736,210
Round Lake Beach--McHenry--Grayslake *(see also IL)*	$585,550
Large Urbanized Area Total	**$49,074,020**
Large Urbanized Area Grand Total	**$4,341,215,598**

Additional T&I Committee Infrastructure Investment Formula Funding provided under P.L. 111-5, the American Recovery and Reinvestment Act of 2009

Transit Capital Grants

State	Urban Formula	Rural Formula	Total Investment
Alabama	$26,609,271	$19,849,776	$46,459,047
Alaska	$32,548,813	$9,083,890	$41,632,703
Arizona	$85,739,224	$14,182,654	$99,921,878
Arkansas	$13,270,300	$15,139,150	$28,409,450
California	$968,313,638	$33,963,166	$1,002,276,804
Colorado	$90,223,469	$12,492,195	$102,715,664
Connecticut	$101,456,371	$4,039,580	$105,495,951
Delaware	$15,756,724	$1,886,750	$17,643,474
District of Columbia	$111,026,519	$0	$111,026,519
Florida	$290,452,913	$20,333,034	$310,785,947
Georgia	$110,530,997	$25,649,675	$136,180,672
Hawaii	$40,649,147	$2,933,435	$43,582,582
Idaho	$9,656,459	$8,742,509	$18,398,968
Illinois	$350,264,769	$21,184,115	$371,448,884
Indiana	$58,111,106	$20,316,134	$78,427,240
Iowa	$21,327,211	$15,156,406	$36,483,617
Kansas	$16,670,714	$14,056,694	$30,727,408
Kentucky	$31,094,153	$19,201,019	$50,295,172
Louisiana	$48,035,163	$15,273,707	$63,308,870
Maine	$5,156,663	$8,109,443	$13,266,106
Maryland	$156,571,149	$7,425,244	$163,996,393
Massachusetts	$262,135,813	$5,219,346	$267,355,159
Michigan	$109,036,212	$25,787,129	$134,823,341
Minnesota	$73,211,954	$19,029,588	$92,241,542
Mississippi	$8,213,740	$17,252,566	$25,466,306
Missouri	$63,145,813	$20,698,281	$83,844,094
Montana	$4,332,320	$11,279,390	$15,611,710
Nebraska	$13,498,538	$9,811,054	$23,309,592
Nevada	$42,113,524	$7,350,247	$49,463,771
New Hampshire	$7,947,286	$5,217,298	$13,164,584
New Jersey	$442,557,259	$4,838,468	$447,395,727
New Mexico	$15,494,393	$12,255,602	$27,749,995
New York	$941,184,946	$26,250,240	$967,435,186
North Carolina	$70,248,738	$33,055,504	$103,304,242
North Dakota	$5,040,827	$5,956,263	$10,997,090
Ohio	$137,198,395	$29,837,234	$167,035,629
Oklahoma	$22,240,250	$16,923,315	$39,163,565
Oregon	$59,964,053	$14,627,158	$74,591,211
Pennsylvania	$233,190,181	$30,209,184	$263,399,365
Rhode Island	$28,623,375	$864,972	$29,488,347
South Carolina	$24,536,491	$16,617,727	$41,154,218
South Dakota	$3,916,276	$7,372,825	$11,289,101
Tennessee	$50,819,566	$21,168,758	$71,988,324
Texas	$321,327,693	$50,587,402	$371,915,095
Utah	$50,831,205	$7,253,443	$58,084,648
Vermont	$1,753,649	$3,926,923	$5,680,572
Virginia	$93,340,956	$18,555,163	$111,896,119
Washington	$158,049,855	$14,297,473	$172,347,328
West Virginia	$8,314,897	$10,051,239	$18,366,136
Wisconsin	$61,267,499	$20,130,095	$81,397,594
Wyoming	$2,321,064	$6,979,334	$9,300,398
American Samoa	$0	$341,099	$341,099
Guam	$0	$921,976	$921,976
Northern Marianas	$1,061,782	$52,510	$1,114,292
Puerto Rico	$66,184,604	$2,110,579	$68,295,183
Virgin Islands	$1,284,112	$0	$1,284,112
Total	**$5,967,852,039**	**$765,847,961**	**$6,733,700,000**

This table was prepared by the Committee on Transportation and Infrastructure Majority staff based on the Federal Register Notice published by the Federal Transit Administration entitled, "American Recovery and Reinvestment Act of 2009 Public Transportation Apportionments, Allocations and Grant Program Information". (FR Doc. E9–4745 Filed 3–4–09)

P.L. 111-5,
the American Recovery and Reinvestment Act of 2009

Distribution of Transit Capital Grants to Large Urbanized Areas with Populations Greater than 200,000

Large Urbanized Area	Total Investment
Alabama	
Birmingham	$8,694,931
Columbus *(see also GA)*	$259,163
Huntsville	$2,439,917
Mobile	$4,090,571
Pensacola *(see also FL)*	$12,000
Large Urbanized Area Total	**$15,496,582**
Alaska	
Anchorage	$31,785,578
Large Urbanized Area Total	**$31,785,578**
Arizona	
Phoenix--Mesa	$64,421,217
Tucson	$16,022,390
Large Urbanized Area Total	**$80,443,607**
Arkansas	
Little Rock, AR	$5,434,699
Memphis *(see also TN, MS)*	$324,366
Large Urbanized Area Total	**$5,759,065**
California	
Antioch	$8,607,799
Bakersfield	$8,129,407
Concord	$28,209,809
Fresno	$12,062,685
Indio--Cathedral City--Palm Springs	$4,714,391
Lancaster--Palmdale	$9,766,721
Los Angeles--Long Beach--Santa Ana	$388,488,754
Mission Viejo	$13,384,248
Modesto	$5,586,606
Oxnard	$10,172,272
Riverside--San Bernardino	$36,415,543
Sacramento	$30,108,880
San Diego	$80,799,384
San Francisco--Oakland	$173,683,507
San Jose	$55,184,394
Santa Rosa	$6,244,177
Stockton	$10,037,182
Temecula--Murrieta	$4,066,829
Thousand Oaks	$3,951,073
Victorville--Hesperia--Apple Valley	$3,413,070
Large Urbanized Area Total	**$893,026,731**
Colorado	
Colorado Springs	$8,788,893
Denver--Aurora	$66,616,795
Fort Collins	$3,403,060
Large Urbanized Area Total	**$78,808,748**
Connecticut	
Bridgeport--Stamford *(see also NY)*	$22,429,040
Hartford	$29,265,468
New Haven	$26,273,909
New York--Newark *(see also NY, NJ)*	$1,080,809
Springfield *(see also MA)*	$2,204,595
Worcester *(see also MA)*	$201,736
Large Urbanized Area Total	**$81,455,557**
Delaware	
Philadelphia *(see also PA, NJ, MD)*	$14,055,296
Large Urbanized Area Total	**$14,055,296**

P.L. 111-5, the American Recovery and Reinvestment Act of 2009

Distribution of Transit Capital Grants to Large Urbanized Areas with Populations Greater than 200,000

Large Urbanized Area	Total Investment
District of Columbia	
Washington *(see also VA, MD)*	$111,026,519
Large Urbanized Area Total	**$111,026,519**
Florida	
Bonita Springs--Naples	$3,367,342
Cape Coral	$5,802,600
Daytona Beach--Port Orange	$5,958,540
Jacksonville	$19,359,908
Miami	$139,733,611
Orlando	$26,360,654
Palm Bay--Melbourne	$6,009,370
Pensacola *(see also AL)*	$4,019,579
Port St. Lucie	$3,156,747
Sarasota--Bradenton	$9,237,386
Tallahassee	$3,453,321
Tampa--St. Petersburg	$33,366,348
Large Urbanized Area Total	**$259,825,406**
Georgia	
Atlanta	$87,666,704
Augusta-Richmond County *(see also SC)*	$2,897,247
Chattanooga *(see also TN)*	$443,355
Columbus *(see also AL)*	$2,709,319
Savannah	$4,490,394
Large Urbanized Area Total	**$98,207,019**
Hawaii	
Honolulu	$37,739,811
Large Urbanized Area Total	**$37,739,811**
Idaho	
Boise City	$3,616,444
Spokane *(see also WA)*	$672
Large Urbanized Area Total	**$3,617,116**
Illinois	
Chicago *(see also IN)*	$312,837,163
Davenport *(see also IA)*	$2,979,604
Peoria	$4,203,803
Rockford	$3,693,756
Round Lake Beach--McHenry--Grayslake *(see also WI)*	$5,468,179
St. Louis *(see also MO)*	$6,466,839
Large Urbanized Area Total	**$335,649,344**
Indiana	
Chicago *(see also IN)*	$14,768,260
Cincinnati *(see also OH, KY, IN)*	$29,661
Evansville *(see also KY)*	$2,748,082
Fort Wayne	$4,095,327
Indianapolis	$16,050,078
Louisville *(see also KY)*	$1,133,946
South Bend *(see also MI)*	$5,253,949
Large Urbanized Area Total	**$44,079,303**
Iowa	
Davenport *(see also IL)*	$2,268,504
Des Moines	$7,888,026
Omaha *(see also NE)*	$481,019
Large Urbanized Area Total	**$10,637,549**
Kansas	
Kansas City *(see also MO)*	$5,524,249
Wichita	$6,629,186
Large Urbanized Area Total	**$12,153,435**

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Distribution of Transit Capital Grants to Large Urbanized Areas with Populations Greater than 200,000

Large Urbanized Area	Total Investment
Kentucky	
Cincinnati *(see also OH, IN)*	$4,507,931
Evansville *(see also IN)*	$197,911
Lexington-Fayette	$5,488,895
Louisville *(see also IN)*	$16,520,931
Large Urbanized Area Total	**$26,715,668**
Louisiana	
Baton Rouge	$6,630,292
New Orleans	$24,694,244
Shreveport	$4,716,500
Large Urbanized Area Total	**$36,041,036**
Maryland	
Baltimore	$78,672,010
Philadelphia *(see also PA, NJ, DE)*	$359,764
Washington *(see also DC, VA)*	$61,456,562
Large Urbanized Area Total	**$140,488,336**
Massachusetts	
Barnstable Town	$7,563,363
Boston *(see also NH, RI)*	$199,214,384
Providence *(see also RI)*	$18,261,603
Springfield *(see also CT)*	$15,662,936
Worcester *(see also CT)*	$12,223,048
Large Urbanized Area Total	**$252,925,334**
Michigan	
Ann Arbor	$6,450,056
Detroit	$57,769,261
Flint	$7,985,140
Grand Rapids	$10,603,305
Lansing	$7,133,486
South Bend *(see also IN)*	$392,537
Toledo *(see also OH)*	$231,491
Large Urbanized Area Total	**$90,565,276**
Minnesota	
Minneapolis- St. Paul	$67,184,150
Large Urbanized Area Total	**$67,184,150**
Mississippi	
Gulfport--Biloxi	$2,422,428
Jackson	$3,461,148
Memphis *(see also TN, AR)*	$460,756
Large Urbanized Area Total	**$6,344,332**
Missouri	
Kansas City *(see also KS)*	$14,839,175
Springfield	$2,878,526
St. Louis *(see also IL)*	$39,325,183
Large Urbanized Area Total	**$57,042,884**
Nebraska	
Lincoln	$3,798,058
Omaha *(see also IA)*	$9,398,462
Large Urbanized Area Total	**$13,196,520**
Nevada	
Las Vegas	$33,661,651
Reno	$7,359,598
Large Urbanized Area Total	**$41,021,249**
New Hampshire	
Boston *(see also MA, RI)*	$571,614
Large Urbanized Area Total	**$571,614**

P.L. 111-5,
the American Recovery and Reinvestment Act of 2009

Distribution of Transit Capital Grants to Large Urbanized Areas with Populations Greater than 200,000

Large Urbanized Area	Total Investment
New Jersey	
Allentown--Bethlehem *(see also PA)*	$638,576
Atlantic City	$14,404,210
New York--Newark *(see also NY, CT)*	$360,511,280
Philadelphia *(see also PA, DE, MD)*	$45,230,080
Trenton	$15,484,545
Large Urbanized Area Total	**$436,268,691**

Large Urbanized Area	Total Investment
New Mexico	
Albuquerque	$11,388,245
El Paso *(see also TX)*	$231,543
Large Urbanized Area Total	**$11,619,788**

Large Urbanized Area	Total Investment
New York	
Albany	$14,685,875
Bridgeport--Stamford *(see also CT)*	$12,855,507
Buffalo	$24,430,788
New York--Newark *(see also NJ, CT)*	$820,110,558
Poughkeepsie--Newburgh	$23,421,242
Rochester	$15,796,418
Syracuse	$10,310,927
Large Urbanized Area Total	**$921,611,315**

Large Urbanized Area	Total Investment
North Carolina	
Asheville	$2,590,439
Charlotte *(see also SC)*	$20,507,768
Durham	$8,377,719
Fayetteville	$3,129,010
Greensboro	$5,455,967
Raleigh	$9,087,039
Winston-Salem	$3,810,207
Large Urbanized Area Total	**$52,958,149**

Large Urbanized Area	Total Investment
Ohio	
Akron	$8,778,597
Canton	$5,145,273
Cincinnati *(see also KY, IN)*	$20,540,622
Cleveland	$39,805,494
Columbus	$16,214,025
Dayton	$20,709,105
Toledo *(see also MI)*	$8,580,240
Youngstown *(see also PA)*	$3,814,488
Large Urbanized Area Total	**$123,587,844**

Large Urbanized Area	Total Investment
Oklahoma	
Oklahoma City	$10,021,473
Tulsa	$8,853,448
Large Urbanized Area Total	**$18,874,921**

Large Urbanized Area	Total Investment
Oregon	
Portland *(see also WA)*	$6,467,817
Eugene	$43,885,941
Salem	$5,164,353
Large Urbanized Area Total	**$55,518,111**

Large Urbanized Area	Total Investment
Pennsylvania	
Allentown--Bethlehem *(see also NJ)*	$9,849,030
Harrisburg	$7,017,442
Lancaster	$9,770,062
Philadelphia *(see also NJ, DE, MD)*	$128,841,141
Pittsburgh	$49,286,424
Reading	$4,272,356
Scranton	$5,686,825
Youngstown *(see also OH)*	$835,681
Large Urbanized Area Total	**$215,558,961**

P.L. 111-5, the American Recovery and Reinvestment Act of 2009

Distribution of Transit Capital Grants to Large Urbanized Areas with Populations Greater than 200,000

Large Urbanized Area	Total Investment
Puerto Rico	
Aguadilla--Isabela--San Sebastian	$5,525,702
San Juan	$44,467,699
Large Urbanized Area Total	**$49,993,401**
Rhode Island	
Boston *(see also MA, NH)*	$21,533
Providence *(see also MA)*	$28,601,842
Large Urbanized Area Total	**$28,623,375**
South Carolina	
Augusta-Richmond County *(see also GA)*	$421,470
Charleston--North Charleston	$6,478,887
Charlotte *(see also NC)*	$258,537
Columbia	$5,346,374
Greenville	$2,989,341
Large Urbanized Area Total	**$15,494,609**
Tennessee	
Chattanooga *(see also GA)*	$4,228,753
Knoxville	$5,811,349
Memphis *(see also MS, AR)*	$16,987,443
Nashville-Davidson	$14,020,151
Large Urbanized Area Total	**$41,047,696**
Texas	
Austin	$26,107,448
Corpus Christi	$6,326,792
Dallas--Fort Worth--Arlington	$87,883,502
Denton--Lewisville	$4,143,011
El Paso *(see also NM)*	$14,860,541
Houston	$90,901,726
Lubbock	$3,905,453
McAllen	$4,745,658
San Antonio	$31,234,746
Large Urbanized Area Total	**$270,108,877**
Utah	
Ogden—Layton	$9,684,595
Provo—Orem	$7,189,214
Salt Lake City	$31,459,589
Large Urbanized Area Total	**$48,333,398**
Virginia	
Richmond	$13,837,772
Virginia Beach	$25,355,487
Washington *(see also DC, MD)*	$42,154,508
Large Urbanized Area Total	**$81,347,767**
Washington	
Portland *(see also OR)*	$5,939,527
Seattle	$124,701,827
Spokane *(see also ID)*	$10,583,579
Large Urbanized Area Total	**$141,224,933**
Wisconsin	
Madison	$9,502,302
Milwaukee	$28,531,852
Round Lake Beach--McHenry--Grayslake *(see also IL)*	$78,667
Large Urbanized Area Total	**$38,112,821**
Large Urbanized Area Grand Total	$5,396,147,722

P.L. 111-5, the American Recovery and Reinvestment Act of 2009

Distribution of Transit Capital Grants to Small Urbanized Areas with Populations Between 50,000 and 200,000

For Small Urbanized Areas, the Federal Transit Administration apportions funds to the Governor of each State for distribution. While this table shows the apportionment amount attributable to each Small Urbanized Area within each State, the Governor ultimately determines the allocation of funds among the Small Urbanized Areas within each State

Small Urbanized Area	Total Investment
Alabama	
Anniston	$1,032,870
Auburn	$954,040
Decatur	$906,873
Dothan	$870,715
Florence	$1,093,785
Gadsden	$856,964
Montgomery	$3,526,918
Tuscaloosa	$1,870,524
Small Urbanized Area Total	**$11,112,689**
Alaska	
Fairbanks	$763,234
Small Urbanized Area Total	**$763,234**
Arizona	
Avondale	$1,333,602
Flagstaff	$989,946
Prescott	$1,031,987
Yuma *(see also CA)*	$1,940,082
Small Urbanized Area Total	**$5,295,617**
Arkansas	
Fayetteville–Springdale	$2,803,208
Fort Smith *(see also OK)*	$1,845,928
Hot Springs	$744,481
Jonesboro	$778,925
Pine Bluff	$967,502
Texarkana *(see also TX)*	$371,190
Small Urbanized Area Total	**$7,511,234**

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For Small Urbanized Areas, the Federal Transit Administration apportions funds to the Governor of each State for distribution. While this table shows the apportionment amount attributable to each Small Urbanized Area within each State, the Governor ultimately determines the allocation of funds among the Small Urbanized Areas within each State.

Small Urbanized Area	Total Investment
California	
Atascadero--El Paso de Robles (Paso Robles)	$935,580
Camarillo	$1,379,610
Chico	$1,813,957
Davis	$1,975,933
El Centro	$1,221,911
Fairfield	$3,134,985
Gilroy--Morgan Hill	$1,598,470
Hanford	$1,468,346
Hemet	$2,505,051
Livermore	$1,859,406
Lodi	$2,054,603
Lompoc	$752,123
Madera	$1,182,667
Manteca	$1,299,009
Merced	$2,485,982
Napa	$1,905,158
Petaluma	$1,392,821
Porterville	$1,301,660
Redding	$1,670,987
Salinas	$4,721,366
San Luis Obispo	$1,323,660
Santa Barbara	$4,589,601
Santa Clarita	$3,883,135
Santa Cruz	$3,404,708
Santa Maria	$2,864,037
Seaside--Monterey--Marina	$2,832,360
Simi Valley	$3,034,749
Tracy	$1,711,239
Turlock	$1,754,117
Vacaville	$2,217,074
Vallejo	$4,649,082
Visalia	$2,668,930
Watsonville	$1,609,701
Yuba City	$2,069,900
Yuma *(see also AZ)*	$14,991
Small Urbanized Area Total	**$75,286,909**

Small Urbanized Area	Total Investment
Colorado	
Boulder	$2,702,566
Grand Junction	$1,538,694
Greeley	$2,010,332
Lafayette--Louisville	$1,077,600
Longmont	$1,695,215
Pueblo	$2,390,313
Small Urbanized Area Total	**$11,414,720**

Small Urbanized Area	Total Investment
Connecticut	
Danbury *(see also NY)*	$9,836,891
Norwich--New London	$4,660,961
Waterbury	$11,405,889
Small Urbanized Area Total	**$25,903,741**

Small Urbanized Area	Total Investment
Delaware	
Dover	$1,656,635
Salisbury *(see also MD)*	$44,793
Small Urbanized Area Total	**$1,701,428**

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Small Urbanized Area	Total Investment
Florida	
Brooksville	$1,519,355
Deltona	$2,461,585
Fort Walton Beach	$2,501,864
Gainesville	$2,931,440
Kissimmee	$3,213,961
Lady Lake	$710,324
Lakeland	$3,327,724
Leesburg--Eustis	$1,511,618
North Port--Punta Gorda	$1,896,507
Ocala	$1,573,748
Panama City	$2,013,673
St. Augustine	$868,559
Titusville	$888,356
Vero Beach--Sebastian	$1,932,179
Winter Haven	$2,454,182
Zephyrhills	$822,432
Small Urbanized Area Total	**$30,627,507**
Georgia	
Albany	$1,517,062
Athens-Clarke County	$1,642,889
Brunswick	$767,300
Dalton	$822,560
Gainesville	$1,235,602
Hinesville	$885,852
Macon	$2,278,601
Rome	$921,030
Valdosta	$933,375
Warner Robins	$1,319,706
Small Urbanized Area Total	**$12,323,977**
Hawaii	
Kailua (Honolulu County)--Kaneohe	$2,909,337
Small Urbanized Area Total	**$2,909,337**
Idaho	
Coeur d'Alene	$1,290,202
Idaho Falls	$1,263,774
Lewiston *(see also WA)*	$546,956
Nampa	$1,778,455
Pocatello	$1,159,957
Small Urbanized Area Total	**$6,039,344**
Illinois	
Alton	$1,394,277
Beloit *(see also WI)*	$217,421
Bloomington--Normal	$2,496,653
Champaign	$2,750,493
Danville	$891,527
Decatur	$1,697,301
DeKalb	$1,262,063
Dubuque *(see also IA)*	$44,137
Kankakee	$1,263,671
Springfield	$2,597,881
Small Urbanized Area Total	**$14,615,424**

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Distribution of Transit Capital Grants to Small Urbanized Areas with Populations Between 50,000 and 200,000

For Small Urbanized Areas, the Federal Transit Administration apportions funds to the Governor of each State for distribution. While this table shows the apportionment amount attributable to each Small Urbanized Area within each State, the Governor ultimately determines the allocation of funds among the Small Urbanized Areas within each State.

Small Urbanized Area	Total Investment
Indiana	
Anderson	$1,550,513
Bloomington	$1,716,658
Columbus	$888,815
Elkhart *(see also MI)*	$2,158,560
Kokomo	$1,089,206
Lafayette	$2,413,099
Michigan City *(see also MI)*	$1,177,582
Muncie	$1,667,980
Terre Haute	$1,369,388
Small Urbanized Area Total	**$14,031,801**

Iowa	
Ames	$1,165,267
Cedar Rapids	$3,181,774
Dubuque *(see also IL)*	$1,167,034
Iowa City	$1,662,587
Sioux City *(see also NE, SD)*	$1,551,010
Waterloo	$1,961,987
Small Urbanized Area Total	**$10,689,659**

Kansas	
Lawrence	$1,930,929
St. Joseph *(see also MO)*	$16,140
Topeka, KS	$2,570,209
Small Urbanized Area Total	**$4,517,278**

Kentucky	
Bowling Green	$949,238
Clarksville *(see also TN)*	$409,999
Huntington *(see also WV, OH)*	$855,190
Owensboro	$1,145,674
Radcliff--Elizabethtown	$1,018,384
Small Urbanized Area Total	**$4,378,485**

Louisiana	
Alexandria	$1,183,712
Houma	$2,052,316
Lafayette	$2,747,057
Lake Charles	$2,063,566
Mandeville--Covington	$950,286
Monroe	$1,766,253
Slidell	$1,230,934
Small Urbanized Area Total	**$11,994,124**

Maine	
Bangor	$938,365
Dover--Rochester *(see also NH)*	$99,767
Lewiston	$1,000,844
Portland	$2,989,029
Portsmouth *(see also NH)*	$128,657
Small Urbanized Area Total	**$5,156,662**

Maryland	
Aberdeen--Havre de Grace--Bel Air	$4,575,531
Cumberland *(see also WV, PA)*	$1,279,671
Frederick	$3,024,473
Hagerstown *(see also WV, PA)*	$2,271,913
Salisbury *(see also DE)*	$1,431,349
St. Charles	$1,930,171
Westminster	$1,569,703
Small Urbanized Area Total	**$16,082,811**

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Distribution of Transit Capital Grants to Small Urbanized Areas with Populations Between 50,000 and 200,000

For Small Urbanized Areas, the Federal Transit Administration apportions funds to the Governor of each State for distribution. While this table shows the apportionment amount attributable to each Small Urbanized Area within each State, the Governor ultimately determines the allocation of funds among the Small Urbanized Areas within each State.

Small Urbanized Area	Total Investment
Massachusetts	
Leominster--Fitchburg	$3,227,669
Nashua *(see also NH)*	$808
New Bedford	$4,527,613
Pittsfield	$1,454,391
Small Urbanized Area Total	**$9,210,481**
Michigan	
Battle Creek	$1,262,889
Bay City	$1,279,109
Benton Harbor--St. Joseph	$936,998
Elkhart *(see also IN)*	$26,698
Holland	$1,609,413
Jackson	$1,463,808
Kalamazoo	$3,155,510
Michigan City *(see also IN)*	$7,688
Monroe	$903,695
Muskegon	$2,473,157
Port Huron	$1,383,824
Saginaw	$2,465,504
South Lyon--Howell--Brighton	$1,502,644
Small Urbanized Area Total	**$18,470,937**
Minnesota	
Duluth *(see also WI)*	$1,525,004
Fargo *(see also ND)*	$748,840
Grand Forks *(see also ND)*	$159,770
La Crosse *(see also WI)*	$92,720
Rochester	$1,741,613
St. Cloud	$1,759,857
Small Urbanized Area Total	**$6,027,804**
Mississippi	
Hattiesburg	$991,811
Pascagoula	$877,598
Small Urbanized Area Total	**$1,869,409**
Missouri	
Columbia	$1,739,155
Jefferson City	$831,184
Joplin	$1,070,225
Lee's Summit	$1,092,881
St. Joseph *(see also KS)*	$1,369,485
Small Urbanized Area Total	**$6,102,930**
Montana	
Billings	$1,884,898
Great Falls	$1,223,819
Missoula	$1,223,603
Small Urbanized Area Total	**$4,332,320**
Northern Mariana Islands	
Saipan	$1,061,782
Small Urbanized Area Total	**$1,061,782**
Nebraska	
Sioux City *(see also IA, SD)*	$302,017
Small Urbanized Area Total	**$302,017**
Nevada	
Carson City	$1,092,274
Small Urbanized Area Total	**$1,092,274**

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Distribution of Transit Capital Grants to Small Urbanized Areas with Populations Between 50,000 and 200,000

For Small Urbanized Areas, the Federal Transit Administration apportions funds to the Governor of each State for distribution. While this table shows the apportionment amount attributable to each Small Urbanized Area within each State, the Governor ultimately determines the allocation of funds among the Small Urbanized Areas within each State.

Small Urbanized Area	Total Investment
New Hampshire	
Dover--Rochester *(see also ME)*	$1,098,534
Manchester	$2,591,645
Nashua *(see also MA)*	$3,073,417
Portsmouth *(see also ME)*	$612,075
Small Urbanized Area Total	**$7,375,671**
New Jersey	
Hightstown	$2,265,408
Vineland	$2,538,548
Wildwood--North Wildwood--Cape May	$1,484,615
Small Urbanized Area Total	**$6,288,571**
New Mexico	
Farmington	$790,312
Las Cruces	$1,713,911
Santa Fe	$1,370,382
Small Urbanized Area Total	**$3,874,605**
New York	
Binghamton *(see also PA)*	$3,651,619
Danbury *(see also CT)*	$92,168
Elmira	$1,535,510
Glens Falls	$1,242,494
Ithaca	$1,192,685
Kingston	$1,143,201
Middletown	$1,110,414
Saratoga Springs	$1,051,227
Utica	$2,651,396
Small Urbanized Area Total	**$13,670,714**
North Carolina	
Burlington	$1,493,823
Concord	$1,730,136
Gastonia	$2,083,715
Goldsboro	$885,922
Greenville	$1,478,464
Hickory	$2,532,222
High Point	$2,081,079
Jacksonville	$1,527,492
Rocky Mount	$991,722
Wilmington	$2,486,014
Small Urbanized Area Total	**$17,290,589**
North Dakota	
Bismarck	$1,404,227
Fargo *(see also MN)*	$2,460,032
Grand Forks *(see also MN)*	$1,176,567
Small Urbanized Area Total	**$5,040,826**
Ohio	
Huntington *(see also WV, KY)*	$559,039
Lima	$1,198,957
Lorain--Elyria	$3,628,995
Mansfield	$1,281,024
Middletown	$1,671,558
Newark	$1,243,924
Parkersburg *(see also WV)*	$393,234
Sandusky	$848,579
Springfield	$1,619,240
Weirton *(see also WV, PA)*	$675,713
Wheeling *(see also WV)*	$490,270
Small Urbanized Area Total	**$13,610,553**

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Small Urbanized Area	Total Investment
Oklahoma	
Fort Smith *(see also AR)*	$35,001
Lawton	$1,466,299
Norman	$1,864,030
Small Urbanized Area Total	**$3,365,330**
Oregon	
Bend	$937,612
Corvallis	$1,053,488
Longview *(see also WA)*	$25,131
Medford	$2,429,712
Small Urbanized Area Total	**$4,445,943**
Pennsylvania	
Altoona	$1,542,404
Binghamton *(see also NY)*	$55,771
Cumberland *(see also MD, WV)*	$210
Erie	$3,866,369
Hagerstown *(see also MD, WV)*	$19,327
Hazleton	$879,623
Johnstown	$1,289,689
Lebanon	$1,174,273
Monessen	$902,575
Pottstown	$1,111,400
State College	$1,672,019
Uniontown--Connellsville	$875 442
Weirton--Steubenville *(see also OH)*	$4,191
Williamsport	$1,092,130
York	$3,145,794
Small Urbanized Area Total	**$17,631,217**
Puerto Rico	
Arecibo	$2,205,143
Fajardo	$1,260,116
Florida--Barceloneta--Bajadero	$981,027
Guayama	$1,281,501
Juana Diaz	$860,794
Mayaguez	$1,994,539
Ponce	$4,390,179
San German--Cabo Rojo--Sabana Grande	$1,542,969
Yauco	$1,674,934
Small Urbanized Area Total	**$16,191,202**
South Carolina	
Anderson	$984,622
Florence	$955,925
Mauldin--Simpsonville	$1,208,633
Myrtle Beach	$1,820,168
Rock Hill	$1,014,111
Spartanburg	$2,047,206
Sumter	$1,011,217
Small Urbanized Area Total	**$9,041,882**
South Dakota	
Rapid City	$1,255,528
Sioux City *(see also IA, NE)*	$51,585
Sioux Falls	$2,609,162
Small Urbanized Area Total	**$3,916,275**

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Small Urbanized Area	Total Investment
Tennessee	
Bristol–Bristol *(see also VA)*	$533,730
Clarksville *(see also KY)*	$1,550,795
Cleveland	$855,317
Jackson	$1,085,613
Johnson City	$1,472,011
Kingsport *(see also VA)*	$1,291,347
Morristown	$797,289
Murfreesboro	$2,185,769
Small Urbanized Area Total	**$9,771,871**

Small Urbanized Area	Total Investment
Texas	
Abilene	$2,057,460
Amarillo	$3,574,296
Beaumont	$2,362,469
Brownsville	$3,631,569
College Station--Bryan	$2,793,817
Galveston	$1,575,182
Harlingen	$1,953,732
Killeen	$3,489,770
Lake Jackson–Angleton	$1,386,542
Laredo	$4,757,091
Longview	$1,269,052
McKinney	$992,990
Midland	$1,882,626
Odessa	$2,066,952
Port Arthur	$2,323,428
San Angelo	$1,572,211
Sherman	$964,558
Temple	$1,228,725
Texarkana--Texarkana *(see also AR)*	$709,396
Texas City	$1,609,294
The Woodlands	$1,679,525
Tyler	$1,744,631
Victoria	$913,309
Waco	$2,909,998
Wichita Falls	$1,770,192
Small Urbanized Area Total	**$51,218,815**

Small Urbanized Area	Total Investment
Utah	
Logan	$1,388,584
St. George	$1,109,223
Small Urbanized Area Total	**$2,497,807**

Small Urbanized Area	Total Investment
Vermont	
Burlington	$1,753,649
Small Urbanized Area Total	**$1,753,649**

Small Urbanized Area	Total Investment
Virgin Islands	
Virgin Islands	$1,284,112
Small Urbanized Area Total	**$1,284,112**

Small Urbanized Area	Total Investment
Virginia	
Blacksburg	$1,074,183
Bristol--Bristol *(see also TN)*	$310,963
Charlottesville	$1,528,262
Danville	$824,382
Fredericksburg	$1,542,104
Harrisonburg	$943,287
Kingsport *(see also TN)*	$24,387
Lynchburg	$1,501,126
Roanoke	$3,364,742
Winchester	$879,753
Small Urbanized Area Total	**$11,993,189**

P.L. 111-5, the American Recovery and Reinvestment Act of 2009

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Small Urbanized Area	Total Investment
Washington	
Bellingham	$1,655,804
Bremerton	$2,861,382
Kennewick--Richland	$2,659,484
Lewiston *(see also ID)*	$318,847
Longview *(see also OR)*	$1,129,826
Marysville	$1,852,474
Mount Vernon	$841,295
Olympia--Lacey	$2,334,961
Wenatchee	$1,019,843
Yakima	$2,151,005
Small Urbanized Area Total	**$16,824,921**
West Virginia	
Charleston	$2,970,523
Cumberland *(see also MD, PA)*	$34,795
Hagerstown *(see also MD, PA)*	$455,306
Huntington *(see also KY, OH)*	$1,510,771
Morgantown	$915,342
Parkersburg *(see also OH)*	$1,026,517
Weirton--Steubenville *(see also OH, PA)*	$469,158
Wheeling *(see also OH)*	$932,485
Small Urbanized Area Total	**$8,314,897**
Wisconsin	
Appleton	$3,814,399
Beloit *(see also IL)*	$801,608
Duluth *(see also MN)*	$492,284
Eau Claire	$1,482,618
Fond du Lac	$994,292
Green Bay	$3,580,948
Janesville	$1,253,807
Kenosha	$2,284,023
La Crosse *(see also MN)*	$1,607,332
Oshkosh	$1,475,958
Racine	$2,771,751
Sheboygan	$1,421,214
Wausau	$1,174,443
Small Urbanized Area Total	**$23,154,677**
Wyoming	
Casper	$1,089,586
Cheyenne	$1,231,479
Small Urbanized Area Total	**$2,321,065**
Small Urbanized Area Grand Total	**$571,704,316**

Additional T&I Committee Infrastructure Investment Formula Funding provided under P.L. 111-5, the American Recovery and Reinvestment Act of 2009

Transit Fixed-Guideway Modernization

State	Total Investment
Arizona	$640,070
California	$66,171,889
Colorado	$753,399
Connecticut	$32,030,396
District of Columbia	$13,888,380
Florida	$5,410,766
Georgia	$7,380,854
Hawaii	$254,793
Illinois	$96,088,797
Indiana	$5,858,540
Louisiana	$2,425,343
Maryland	$15,265,694
Massachusetts	$52,362,925
Michigan	$133,125
Minnesota	$1,851,573
Missouri	$1,289,449
New Jersey	$76,835,714
New York	$254,817,805
Ohio	$12,772,779
Oregon	$1,125,728
Pennsylvania	$80,303,844
Puerto Rico	$675,314
Rhode Island	$63,943
Tennessee	$28,040
Texas	$2,609,607
Virginia	$4,209,386
Washington	$6,699,276
West Virginia	$309,339
Wisconsin	$243,232
Total	**$742,500,000**

This table was prepared by the Committee on Transportation and Infrastructure Majority staff based on the Federal Register Notice published by the Federal Transit Administration entitled, "American Recovery and Reinvestment Act of 2009 Public Transportation Apportionments, Allocations and Grant Program Information".
(FR Doc. E9-4745 Filed 3-4-09)

P.L. 111-5,
the American Recovery and Reinvestment Act of 2009

Distribution of Transit Fixed-Guideway Modernization Grants to Large Urbanized Areas with Populations Greater than 200,000

Urbanized Area	Total Investment
Arizona	
Phoenix--Mesa	$640,070
Total	**$640,070**
California	
Los Angeles--Long Beach--Santa Ana	$10,003,084
Sacramento	$946,296
San Diego	$2,872,834
San Francisco--Oakland	$48,263,671
San Jose	$4,086,004
Total	**$66,171,889**
Colorado	
Denver--Aurora	$753,399
Total	**$753,399**
Connecticut	
Bridgeport--Stamford	$31,536,449
Hartford	$493,947
Total	**$32,030,396**
District of Columbia	
Washington *(see also VA, MD)*	$13,888,380
Total	**$13,888,380**
Florida	
Jacksonville	$36,559
Miami	$5,339,589
Tampa--St. Petersburg	$34,618
Total	**$5,410,766**
Georgia	
Atlanta	$7,380,854
Total	**$7,380,854**
Hawaii	
Honolulu	$254,793
Total	**$254,793**
Illinois	
Chicago *(see also IN)*	$96,088,797
Total	**$96,088,797**
Indiana	
Chicago *(see also IL)*	$5,858,540
Total	**$5,858,540**
Louisiana	
New Orleans	$2,425,343
Total	**$2,425,343**
Maryland	
Baltimore Commuter Rail	$15,176,486
Washington *(see also DC, VA)*	$89,208
Total	**$15,265,694**
Massachusetts	
Boston *(see also RI)*	$51,000,680
Providence *(see also RI)*	$486,320
Worcester	$875,925
Total	**$52,362,925**
Michigan	
Detroit	$133,125
Total	**$133,125**

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Distribution of Transit Fixed-Guideway Modernization Grants to Large Urbanized Areas with Populations Greater than 200,000

Urbanized Area	Total Investment
Minnesota	
Minneapolis- St. Paul	$1,851,573
Total	**$1,851,573**
Missouri	
St. Louis	$1,289,449
Total	**$1,289,449**
New Jersey	
New York--Newark *(see also NY)*	$64,690,048
Philadelphia *(see also PA)*	$11,580,494
Trenton	$565,172
Total	**$76,835,714**
New York	
Buffalo	$409,946
New York--Newark *(see also NJ)*	$254,407,859
Total	**$254,817,805**
Ohio	
Cleveland	$11,182,724
Dayton	$1,590,055
Total	**$12,772,779**
Oregon	
Portland	$1,125,728
Total	**$1,125,728**
Pennsylvania	
Philadelphia *(see also NJ)*	$61,821,461
Pittsburgh	$18,482,383
Total	**$80,303,844**
Puerto Rico	
San Juan	$675,314
Total	**$675,314**
Rhode Island	
Boston *(see also MA)*	$26,648
Providence *(see also MA)*	$37,295
Total	**$63,943**
Tennessee	
Chattanooga	$28,040
Total	**$28,040**
Texas	
Dallas--Fort Worth--Arlington	$300,940
Houston	$2,308,667
Total	**$2,609,607**
Virginia	
Virginia Beach, VA	$437,148
Washington *(see also DC, MD)*	$3,772,238
Total	**$4,209,386**
Washington	
Seattle	$6,699,276
Total	**$6,699,276**
Wisconsin	
Madison	$243,232
Total	**$243,232**
Grand Total	**$742,190,661**

Additional T&I Committee Infrastructure Investment Formula Funding provided under P.L. 111-5, the American Recovery and Reinvestment Act of 2009

Clean Water State Revolving Fund

State	Total Investment
Alabama	$43,821,558
Alaska	$23,454,981
Arizona	$26,469,630
Arkansas	$25,636,545
California	$280,285,335
Colorado	$31,348,152
Connecticut	$48,010,347
Delaware	$19,239,066
District of Columbia	$19,239,066
Florida	$132,286,374
Georgia	$66,261,294
Hawaii	$30,352,311
Idaho	$19,239,066
Illinois	$177,243,066
Indiana	$94,447,485
Iowa	$53,040,042
Kansas	$35,374,185
Kentucky	$49,878,081
Louisiana	$43,081,434
Maine	$30,336,768
Maryland	$94,784,580
Massachusetts	$133,057,188
Michigan	$168,508,989
Minnesota	$72,031,014
Mississippi	$35,308,350
Missouri	$108,641,808
Montana	$19,239,066
Nebraska	$20,045,025
Nevada	$19,239,066
New Hampshire	$39,163,905
New Jersey	$160,146,855
New Mexico	$19,239,066
New York	$432,563,967
North Carolina	$70,729,065
North Dakota	$19,239,066
Ohio	$220,623,381
Oklahoma	$31,662,081
Oregon	$44,271,018
Pennsylvania	$155,237,544
Rhode Island	$26,314,596
South Carolina	$40,148,163
South Dakota	$19,239,066
Tennessee	$56,930,445
Texas	$179,122,284
Utah	$20,650,014
Vermont	$19,239,066
Virginia	$80,203,266
Washington	$68,152,095
West Virginia	$61,092,108
Wisconsin	$105,948,315
Wyoming	$19,239,066
American Samoa	$3,454,000
Guam	$2,471,500
Northern Marianas	$1,551,700
Puerto Rico	$51,114,195
Virgin Islands	$1,962,700
Total	**$3,869,608,399**

This table was prepared by the Committee on Transportation and Infrastructure Majority staff based on information published by the Environmental Protection Agency.
(http://www.epa.gov/water/eparecovery/docs/Final_SRF_eco_recovery_allotments.pdf)

T&I Committee Transparency and Accountability Information by State and Formula Funding under, the American Recovery and Reinvestment Act of 2009 (P.L. 111-5) ("Recovery Act")
Submissions Received by T&I Committee (Data Reported as of March 31, 2009)

	Recovery Act Funds Allocated	Recovery Act Funds Obligated	Recovery Act Funds Outlayed	Projects Put Out to Bid	Recovery Act Funds Associated with Projects Put Out to Bid	Projects Under Contract	Recovery Act Funds Associated with Projects Under Contract	Projects in Which Work Has Begun	Recovery Act Funds Associated with Projects in Which Work Has Begun	Completed Projects	Recovery Act Funds Associated with Completed Projects	Direct, On-Project Jobs Created or Sustained	Total Job Hours Created or Sustained	Total Payroll of Job Hours Created or Sustained
Alabama														
Highway Infrastructure	$513,692,083	$0	$0	17	$100,[illegible]528		$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$46,187,884	$0	$0	3	$9,[illegible]	0	$0	0	$0	0	$0	0	0	$0
Total	$559,879,967	$0	$0	17	$109,[illegible]528	0	$0	0	$0	0	$0	0	0	$0
Alaska														
Clean Water State Revolving Fund	$23,454,981	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$175,461,487	$0	$0	2	$14,200,000	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$73,418,282	$0	$5,[illegible]311	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$272,334,750	$0	$5,[illegible]311	2	$14,200,000	0	$0	0	$0	0	$0	0	0	$0
Arizona														
Fixed Guideway	$[illegible]	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$353,884,[illegible]	$348,878,000	$0	16	$98,751,000	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$95,039,8[illegible]	$0	$0	0	$0	0	$0	4	$25,300,000	0	$0	0	0	$0
Total	$[illegible]83,933	$348,878,000	$0	16	$98,751,000	0	$0	4	$25,300,000	0	$0	0	0	$0
Arkansas														
Highway Infrastructure	$351,544,468	$23,828,191	$0	27	$23,828,[illegible]	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$[illegible]434,699	$3,147,760	$0	2	$312,500	2	$3,147,760	1	$937,500	0	$0	0	0	$0
Total	$[illegible]979,167	$26,975,951	$0	29	$23,[illegible]	2	$3,147,760	1	$937,500	0	$0	0	0	$0
California														
Clean Water State Revolving Fund	$283,116,5[illegible]	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$63,21[illegible]	$0	$0	1	$2,954,552	0	$0	1	$0	0	$0	0	0	$0
Highway Infrastructure	$2,[illegible]	$215,3[illegible]917	$0	1	$[illegible]	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$78[illegible]	$6,137,604	$5,687,234	36	$136,536,052	21	$[illegible]	[illegible]	$128,876,948	2	$484,832	163	73011	$[illegible]
Total	$3,698,238,434	$221,520,521	$5,687,234	38	$[illegible]7,212,604	21	$[illegible]	[illegible]	$128,876,948	2	$484,832	163	73011	$[illegible]
Colorado														
Clean Water State Revolving Fund	$31,347,700	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$753,[illegible]	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$403,[illegible]130	$50,127,632	$0	11	$50,127,632	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$90,215,[illegible]	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$52[illegible]234	$50,127,632	$0	11	$50,127,632	0	$0	0	$0	0	$0	0	0	$0
Connecticut														
Clean Water State Revolving Fund	$48,[illegible]300	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$32,[illegible]	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$302,[illegible]956	$82,33[illegible]	$0	14	$170,762,550	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$120,767,24[illegible]	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$502,863,897	$82,33[illegible]	$0	14	$170,76[illegible]	0	$0	0	$0	0	$0	0	0	$0
Delaware														
Clean Water State Revolving Fund	$17,23[illegible]100	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$121,828,[illegible]	$0	$0	4	$9,[illegible]	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$18,917,211	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$159,98[illegible]	$[illegible]	$0	4	$9,[illegible]	0	$0	0	$0	0	$0	0	0	$0

For a state/territory where no column lists the Clean Water State Revolving Fund program, the state/territory did not report to the T&I Committee.
For a state/territory where no column lists the Transit Capital Assistance program, the state/territory and/or transit grant recipient did not report to the T&I Committee.
For a state/territory where no column lists the Fixed Guideway program, the state/territory does not receive Fixed Guideway funds (except for Louisiana, Maryland, Michigan, Rhode Island, and Puerto Rico where the transit grant recipient did not report to the T&I Committee).

	Recovery Act Funds Allocated	Recovery Act Funds Obligated	Recovery Act Funds Outlayed	Projects Put Out to Bid	Recovery Act Funds Associated with Projects Put Out to Bid	Projects Under Contract	Recovery Act Funds Associated with Projects Under Contract	Projects in Which Work Has Begun	Recovery Act Funds Associated with Projects in Which Work Has Begun	Completed Projects	Recovery Act Funds Associated with Completed Projects	Direct, On-Project Jobs Created or Sustained	Total Job Hours Created or Sustained	Total Payroll of Job Hours Created or Sustained
District of Columbia														
Clean Water State Revolving Fund	$19,133,400	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$17,7[illegible]	$0	$0	2	$[illegible]	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$125,[illegible]	$40,000,000	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$184,[illegible]	$0	$0	9	$32,155,000	0	$0	0	$0	0	$0	0	0	$0
Total	$344,766,622	$40,000,000	$0	11	$[illegible]	0	$0	0	$0	0	$0	0	0	$0
Florida														
Clean Water State Revolving Fund	$132,[illegible],374	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$2,718,600	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$1,346,735,003	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$351,419,[illegible]	$22,485,[illegible]	$0	4	$10,948,553	7	$10,948,388	1	$7,623,203	0	$0	0	0	$0
Total	$1,833,159,[illegible]	$22,485,[illegible]	$0	4	$10,948,553	7	$10,948,388	1	$7,623,203	0	$0	0	0	$0
Georgia														
Clean Water State Revolving Fund	$66,201,[illegible]	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$7,[illegible]	$0	$0	1	$7,300,854	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$931,585,[illegible]	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$[illegible]	$0	$0	6	$40,[illegible]	1	$1,[illegible]	2	$[illegible]	0	$0	0	0	$0
Total	$1,[illegible]	$0	$0	7	$47,8[illegible]	1	$1,[illegible]	2	$[illegible]	0	$0	0	0	$0
Hawaii														
Clean Water State Revolving Fund	$36,352,[illegible]	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$254,793	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$125,7[illegible]	$9,759,843	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$43,[illegible]	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$[illegible]	$9,759,843	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Idaho														
Clean Water State Revolving Fund	$[illegible]	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$17[illegible]	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$26,[illegible]	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$197,282,465	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Illinois														
Clean Water State Revolving Fund	$179,[illegible]	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$95,511,[illegible]	$0	$0	3	$[illegible]	2	$3[illegible]	3	$36,[illegible]	0	$0	0	0	$0
Highway Infrastructure	$935,592,[illegible]	$629,554,354	$0	[illegible]	$333,[illegible]	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$347,[illegible]	$0	$0	8	$174,[illegible]	1	$81,[illegible]	2	$13[illegible]	0	$0	0	0	$0
Total	$1,[illegible]	$629,554,354	$0	[illegible]	$[illegible]	3	$[illegible]	5	$[illegible]	0	$0	0	0	$0
Indiana														
Clean Water State Revolving Fund	$94,[illegible]	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$[illegible]	$0	$0	1	$[illegible]	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$[illegible]	$123,808,940	$0	[illegible]	$[illegible]	37	$[illegible]	32	$[illegible]	0	$0	0	0	$0
Transit Capital Assistance	$51,[illegible]	$0	$0	1	$10,[illegible]	1	$3,094,327	1	$[illegible]	0	$0	0	0	$0
Total	$[illegible]	$123,808,940	$0	[illegible]	$[illegible]	38	$46,[illegible]	33	$[illegible]	0	$0	0	0	$0
Iowa														
Clean Water State Revolving Fund	$53,[illegible]	$0	$0	[illegible]	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$358,[illegible]	$220,391,253	$321,840	[illegible]	$[illegible]	26	$[illegible]	6	$17,932,265	0	$0	0	0	$0
Transit Capital Assistance	$38,[illegible]	$0	$0	[illegible]	$28,[illegible]	14	$[illegible]	0	$0	0	$0	0	0	$0
Total	$449,[illegible]	$220,391,253	$321,840	142	$255,[illegible]	40	$[illegible]	6	$17,932,265	0	$0	0	0	$0

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	Recovery Act Funds Allocated	Recovery Act Funds Obligated	Recovery Act Funds Outlayed	Projects Put Out to Bid	Recovery Act Funds Associated with Projects Put Out to Bid	Projects Under Contract	Recovery Act Funds Associated with Projects Under Contract	Projects in Which Work Has Begun	Recovery Act Funds Associated with Projects in Which Work Has Begun	Completed Projects	Recovery Act Funds Associated with Completed Projects	Direct, On-Project Jobs Created or Sustained	Total Job Hours Created or Sustained	Total Payroll of Job Hours Created or Sustained
Kansas														
Highway Infrastructure	$347,817,167	$79,180,000	$7,966	2	$79,180,000	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$25,179,018	$0	$0	1	$850,446	0	$0	0	$0	0	$0	0	0	$0
Total	$372,996,185	$79,180,000	$7,966	3	$80,030,446	0	$0	0	$0	0	$0	0	0	$0
Kentucky														
Clean Water State Revolving Fund	$50,381,900	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$421,094,991	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$48,987,136	$21,358,018	$0	23	$17,663,041	18	$6,490,035	18	$6,490,035	0	$0	38	1520	$27,362
Total	$520,464,027	$21,358,018	$0	23	$17,663,041	18	$6,490,035	18	$6,490,035	0	$0	38	1520	$27,362
Louisiana														
Clean Water State Revolving Fund	$43,081,434	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$310,511,167	$71,848,588	$0	8	$79,700,000	2	$71,848,588	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$36,162,992	$0	$0	1	$3,915,000	9	$15,373,511	1	$373,511	0	$0	0	0	$0
Total	$390,835,593	$71,848,588	$0	9	$83,615,000	11	$87,222,099	1	$373,511	0	$0	0	0	$0
Maine														
Clean Water State Revolving Fund	$29,173,128	$2,063,665	$0	2	$4,408,665	1	$2,063,665	1	$2,063,665	0	$0	34	36720	$0
Highway Infrastructure	$130,752,032	$78,896,667	$1,378,294	42	$788,896,667	2	$37,342,707	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$13,265,795	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$173,191,355	$80,960,332	$1,378,294	44	$793,305,332	3	$39,406,372	1	$2,063,665	0	$0	34	36720	$0
Maryland														
Clean Water State Revolving Fund	$93,784,000	$0	$0	0	$5,000,000	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$431,037,000	$213,647,795	$0	74	$221,731,514	10	$25,353,648	7	$13,381,161	0	$0	0	0	$0
Transit Capital Assistance	$119,405,176	$0	$0	9	$51,470,000	5	$17,169,000	5	$17,169,000	0	$0	0	0	$0
Total	$645,226,776	$219,647,795	$0	83	$278,201,514	15	$42,522,648	12	$30,550,161	0	$0	0	0	$0
Massachusetts														
Clean Water State Revolving Fund	$133,057,188	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$51,313,648	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$437,865,000	$62,600,000	$0	19	$62,600,000	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$428,803,480	$15,326,475	$6,676,975	12	$16,013,601	8	$4,507,300	8	$9,498,225	0	$0	37	5803	$580,300
Total	$1,051,039,316	$77,926,475	$6,676,975	31	$78,613,601	8	$4,507,300	8	$9,498,225	0	$0	37	5803	$580,300
Michigan														
Clean Water State Revolving Fund	$168,509,000	$0	$0	9	$21,371,600	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$847,205,000	$0	$0	1	$1,334,000	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$116,052,593	$9,668,305	$0	8	$28,696,006	2	$2,897,520	0	$0	0	$0	0	0	$0
Total	$1,131,766,593	$9,668,305	$0	18	$51,401,606	2	$2,897,520	0	$0	0	$0	0	0	$0
Minnesota														
Fixed Guideway	$1,851,571	$0	$0	1	$1,851,571	1	$1,753,476	0	$0	0	$0	0	0	$0
Highway Infrastructure	$502,284,177	$140,524,733	$0	20	$65,001,053	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$92,241,542	$0	$0	3	$49,524,702	3	$54,840,702	30	$6,200,000	0	$0	0	0	$0
Total	$596,377,292	$140,524,733	$0	24	$116,377,326	4	$56,593,881	30	$6,200,000	0	$0	0	0	$0
Mississippi														
Highway Infrastructure	$354,564,343	$112,310,200	$0	10	$79,562,500	1	$4,174,659	1	$4,174,659	0	$0	0	0	$0
Transit Capital Assistance	$2,122,428	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$356,686,771	$112,310,200	$0	10	$79,562,500	1	$4,174,659	1	$4,174,659	0	$0	0	0	$0

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Missouri														
Clean Water State Revolving Fund	$109,739,200	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$1,289,449	$0	$0	0	$0	0	$0	1	$25,000	0	$0	8	112	$6,160
Highway Infrastructure	$637,121,904	$122,5[illegible],535	$257,440	37	$90,219,935	37	$90,219,935	8	$77,498,733	0	$0	68	1871	$71,344
Transit Capital Assistance	$91,683,[illegible]	$14,[illegible],678	$0	0	$0	17	$12,574,922	7	$100,000	0	$0	14	609	$33,495
Total	$839,834,491	$137,274,213	$257,440	37	$90,219,935	54	$102,794,857	16	$77,623,733	0	$0	90	2592	$110,999
Montana														
Clean Water State Revolving Fund	$19,239,100	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$211,793,391	$26,639,960	$0	16	$26,639,960	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$11,279,390	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$242,311,881	$26,639,960	$0	16	$26,639,960	0	$0	0	$0	0	$0	0	0	$0
Nebraska														
Clean Water State Revolving Fund	$20,045,000	$0	$0	5	$6,794,000	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$235,[illegible],279	$68,314,181	$0	19	$65,630,412	7	$26,110,775	1	$4,902,354	0	$0	0	0	$0
Transit Capital Assistance	$23,[illegible]	$0	$0	4	$8,460,686	1	$72,000	1	$32,000	0	$0	0	0	$0
Total	$279,424,889	$68,314,181	$0	28	$80,885,098	8	$26,182,775	2	$4,934,354	0	$0	0	0	$0
Nevada														
Highway Infrastructure	$201,352,460	$26,358,341	$0	1	$15,386,482	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$48,371,496	$3,700,000	$0	3	$18,031,721	1	$3,700,000	0	$0	0	$0	0	0	$0
Total	$249,723,956	$30,058,341	$0	4	$33,418,203	1	$3,700,000	0	$0	0	$0	0	0	$0
New Hampshire														
Clean Water State Revolving Fund	$39,163,900	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$129,440,556	$69,268,748	$0	7	$69,268,748	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$6,280,715	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$174,885,171	$69,268,748	$0	7	$69,268,748	0	$0	0	$0	0	$0	0	0	$0
New Jersey														
Clean Water State Revolving Fund	$160,146,85[illegible]	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$73,679,571	$0	$914,853	1	$18,096,000	0	$0	1	$18,096,000	0	$0	7	54	$14,061
Highway Infrastructure	$651,774,480	$253,272,601	$0	8	$253,272,601	0	$0	0	$0	0	$0	5	92	$4,165
Transit Capital Assistance	$41,013,124	$0	$1,110,000	6	$188,404,000	2	$132,500,000	3	$136,404,000	0	$0	4	38	$9,984
Total	$926,614,030	$253,272,601	$2,024,853	15	$459,772,601	2	$132,500,000	4	$154,500,000	0	$0	16	184	$28,210
New Mexico														
Highway Infrastructure	$252,644,377	$53,300,000	$0	5	$82,300,000	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$27,518,452	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$280,162,829	$53,300,000	$0	5	$82,300,000	0	$0	0	$0	0	$0	0	0	$0
New York														
Clean Water State Revolving Fund	$432,564,200	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$254,817,807	$0	$0	5	$224,500,000	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$1,120,684,723	$99,105,934	$0	30	$122,549,143	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$844,373,509	$12,138,927	$0	17	$564,015,770	8	$12,421,887	10	$37,335,963	0	$0	55	96,322	$4,524,800
Total	$2,652,440,239	$111,244,861	$0	52	$911,064,963	8	$12,421,887	10	$37,335,963	0	$0	55	96,322	$4,524,800
North Carolina														
Highway Infrastructure	$735,526,684	$148,056,628	$0	20	$148,056,628	11	$74,856,628	11	$74,856,628	0	$0	0	0	$0
Transit Capital Assistance	$93,659,284	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$829,185,968	$148,056,628	$0	20	$148,056,628	11	$74,856,628	11	$74,856,628	0	$0	0	0	$0
North Dakota														
Highway Infrastructure	$170,126,437	$43,133,716	$0	13	$43,133,716	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$10,997,489	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$181,123,586	$43,133,716	$0	13	$43,133,716	0	$0	0	$0	0	$0	0	0	$0

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For a state/territory where no column lists the Transit Capital Assistance program, the state/territory and/or transit grant recipient did not report to the T&I Committee.
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	Recovery Act Funds Allocated	Recovery Act Funds Obligated	Recovery Act Funds Outlayed	Projects Put Out to Bid	Recovery Act Funds Associated with Projects Put Out to Bid	Projects Under Contract	Recovery Act Funds Associated with Projects Under Contract	Projects in Which Work Has Begun	Recovery Act Funds Associated with Projects in Which Work Has Begun	Completed Projects	Recovery Act Funds Associated with Completed Projects	Direct, On-Project Jobs Created or Sustained	Total Job Hours Created or Sustained	Total Payroll of Job Hours Created or Sustained
Northern Mariana														
Highway Infrastructure	$4,500,000	$0	$0	0	$4,500,000	0	$0	0	$0	0	$0	0	0	$0
Total	$4,500,000	$0	$0	0	$4,500,000	0	$0	0	$0	0	$0	0	0	$0
Ohio														
Clean Water State Revolving Fund	$220,623,110	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$11,182,774	$232,810	$0	5	$5,472,810	1	$232,810	0	$0	0	$0	0	0	$0
Highway Infrastructure	$935,777,090	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$132,306,607	$0	$5,140,600	28	$41,037,614	7	$15,392,000	6	$14,089,600	1	$592,800	3	119	$0
Total	$1,299,889,471	$232,810	$5,140,600	33	$46,510,424	8	$15,624,810	6	$14,089,600	1	$592,800	3	119	$0
Oklahoma														
Clean Water State Revolving Fund	$31,662,100	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$464,655,225	$344,998,173	$0	48	$0	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$58,038,577	$1,575,000	$0	4	$4,125,000	4	$1,575,000	2	$1,300,000	0	$0	20	0	$0
Total	$554,355,902	$346,573,179	$0	52	$4,125,000	4	$1,525,000	2	$1,300,000	0	$0	20	0	$0
Oregon														
Clean Water State Revolving Fund	$44,271,018	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$1,125,778	$0	$0	0	$0	0	$0	1	$1,125,778	0	$0	0	0	$0
Highway Infrastructure	$233,733,632	$63,016,462	$0	3	$2,334,161	3	$2,334,161	3	$2,334,161	0	$0	0	0	$0
Transit Capital Assistance	$74,373,168	$0	$0	4	$6,499,570	3	$3,298,000	4	$15,485,000	0	$0	0	0	$0
Total	$353,503,596	$63,016,462	$0	7	$8,833,731	6	$5,632,161	8	$18,945,089	0	$0	0	0	$0
Pennsylvania														
Clean Water State Revolving Fund	$155,237,800	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$85,559,195	$18,482,383	$18,482,383	13	$77,329,091	4	$26,982,383	4	$6,500,000	0	$0	0	0	$0
Highway Infrastructure	$1,026,000,000	$714,358,280	$0	56	$138,964,343	6	$10,387,000	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$256,774,177	$51,716,772	$43,995,934	27	$163,803,749	10	$80,800,479	7	$55,458,587	0	$0	87	10244	$210,325
Total	$1,523,571,172	$784,557,434	$62,478,317	96	$380,097,183	20	$118,169,862	11	$61,958,587	0	$0	87	10244	$210,325
Puerto Rico														
Highway Infrastructure	$105,000,000	$0	$0	3	$37,047,332	0	$0	0	$0	0	$0	0	0	$0
Total	$105,000,000	$0	$0	3	$37,047,332	0	$0	0	$0	0	$0	0	0	$0
Rhode Island														
Clean Water State Revolving Fund	$26,314,600	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$137,095,725	$48,686,079	$163,053	21	$37,349,652	1	$2,840,558	1	$2,840,558	0	$0	11	325	$8,909
Transit Capital Assistance	$38,001,658	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$201,411,983	$48,686,079	$163,053	21	$37,349,652	1	$2,840,558	1	$2,840,558	0	$0	11	325	$8,909
South Carolina														
Highway Infrastructure	$463,081,483	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$23,096,614	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$486,178,097	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
South Dakota														
Clean Water State Revolving Fund	$19,239,100	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$183,027,359	$84,543,278	$0	11	$81,897,295	5	$24,419,825	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$11,189,872	$0	$0	17	$1,907,637	17	$1,907,637	17	$1,907,637	0	$0	0	0	$0
Total	$213,456,331	$84,543,278	$0	28	$83,804,932	22	$26,327,462	17	$1,907,637	0	$0	0	0	$0
Tennessee														
Clean Water State Revolving Fund	$77,168,500	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$28,040	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$572,766,883	$7,269,000	$0	10	$7,269,000	10	$7,405,138	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$65,087,420	$0	$0	2	$14,371,553	1	$3,451,012	2	$5,451,012	0	$0	0	0	$0
Total	$745,050,843	$7,269,000	$0	12	$21,640,553	11	$10,856,150	2	$5,451,012	0	$0	0	0	$0

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	Recovery Act Funds Allocated	Recovery Act Funds Obligated	Recovery Act Funds Outlayed	Projects Put Out to Bid	Recovery Act Funds Associated with Projects Put Out to Bid	Projects Under Contract	Recovery Act Funds Associated with Projects Under Contract	Projects in Which Work Has Begun	Recovery Act Funds Associated with Projects in Which Work Has Begun	Completed Projects	Recovery Act Funds Associated with Completed Projects	Direct, On-Project Jobs Created or Sustained	Total Job Hours Created or Sustained	Total Payroll of Job Hours Created or Sustained
Texas														
Fixed Guideway	$2,609,609	$300,940	$0	1	$2,308,667	1	$300,940	1	$300,940	0	$0	10	5640	$225,500
Highway Infrastructure	$1,856,[illegible]	$406,835,182	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$356,552,909	$62,492,786	$29,895,937	16	$114,791,176	12	$92,115,341	12	$99,219,573	3	$5,074,252	694	695,652	$14,812,362
Total	$2,215,470,890	$469,629,708	$29,895,937	17	$117,099,843	13	$92,416,281	13	$99,[illegible]	2	$5,074,252	704	701,292	$15,037,862
Utah														
Clean Water State Revolving Fund	$20,769,000	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$156,554,195	$75,430,000	$0	16	$75,430,000	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$48,333,398	$0	$0	1	$15,000,000	0	$0	0	$0	0	$0	0	0	$0
Total	$225,656,593	$75,430,000	$0	17	$90,430,000	0	$0	0	$0	0	$0	0	0	$0
Vermont														
Clean Water State Revolving Fund	$19,231,100	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$125,799,293	$1,990,999	$141,093	9	$27,215,868	6	$13,431,019	1	$1,990,999	0	$0	30	2222	$53,386
Total	$145,030,393	$1,990,999	$141,093	9	$27,215,868	6	$13,431,019	1	$1,990,999	0	$0	30	2222	$53,386
Virginia														
Fixed Guideway	$437,148	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$694,500,000	$0	$0	23	$136,135,871	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$68,357,834	$0	$0	2	$39,700,000	1	$5,700,000	2	$1,444,479	0	$0	0	0	$0
Total	$763,294,982	$0	$0	25	$175,835,871	1	$5,700,000	2	$1,444,479	0	$0	0	0	$0
Virgin Islands														
Clean Water State Revolving Fund	$2,062,700	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$18,000,000	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$1,284,112	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$21,346,812	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Washington														
Clean Water State Revolving Fund	$68,151,900	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$6,699,276	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$492,240,609	$59,142,000	$0	8	$57,450,000	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$93,719,100	$0	$75,000	5	$2,004,888	5	$19,602,693	7	$15,196,472	0	$0	0	0	$0
Total	$660,810,885	$59,142,000	$75,000	13	$59,454,888	5	$19,602,693	7	$15,196,472	0	$0	0	0	$0
West Virginia														
Fixed Guideway	$549,139	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	$210,852,204	$43,600,000	$0	22	$33,300,000	8	$10,300,000	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$18,366,136	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	$229,767,479	$43,600,000	$0	22	$33,300,000	8	$10,300,000	0	$0	0	$0	0	0	$0
Wisconsin														
Clean Water State Revolving Fund	$107,018,500	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Fixed Guideway	$243,232	$0	$0	1	$243,232	1	$243,232	0	$0	0	$0	0	0	$0
Highway Infrastructure	$529,111,913	$128,984,040	$0	43	$140,306,404	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	$53,540,052	$0	$0	1	$8,807,302	1	$8,807,302	0	$0	0	$0	0	0	$0
Total	$689,913,697	$128,984,040	$0	45	$149,356,938	2	$9,050,534	0	$0	0	$0	0	0	$0
Wyoming														
Clean Water State Revolving Fund	[illegible]	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Highway Infrastructure	[illegible]	$27,244,678	$0	15	$27,244,678	0	$0	0	$0	0	$0	0	0	$0
Transit Capital Assistance	[illegible]	$0	$0	0	$0	0	$0	0	$0	0	$0	0	0	$0
Total	[illegible]	$27,244,678	$0	15	$27,244,678	0	$0	0	$0	0	$0	0	0	$0

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HEARING ON RECOVERY ACT: 10-WEEK PROGRESS REPORT FOR TRANSPORTATION AND INFRASTRUCTURE PROGRAMS

Wednesday, April 29, 2009

HOUSE OF REPRESENTATIVES
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
Washington, DC.

The Committee met, pursuant to call, at 11:00 a.m., in Room 2167, Rayburn House Office Building, the Honorable James Oberstar [chairman of the Full Committee] presiding.

Mr. OBERSTAR. The Committee will come to order.

We meet today to carry through on the commitment this Committee made when we launched the initiative for stimulus and did so in December of 2007. Our first proposal was for a $15 billion investment in the initiatives in the programs under the jurisdiction of this Committee. That grew over time as people realized that we were in a recession, and it was sometime later that the economists said, oh, the recession began in December of 2007. Well, that is what we said right here in this Committee; and we had bipartisan support.

When we launched that proposal, unemployment in the construction trades was 968,000. There were sand and gravel pits closed all over America and more closing every month, and ready mix concrete suppliers and asphalt cement suppliers out of business.

Mrs. MILLER. It was nice to be here.

Mr. OBERSTAR. It was good to have you here for a while, Mrs. Miller.

Mr. MICA. I apologize, Mr. Chairman. There are protests at the bottom of the hill, protests at the top of the hill. I just did something I haven't done in at least seven or eight years, they let us go over the top of the visitor's center. It was a historic voyage to get here.

Mr. OBERSTAR. Well, there is no protest, only a welcome here.

Mr. MICA. Thank you. I apologize. I tried to get word to go ahead without me.

Mr. OBERSTAR. Well, Mrs. Miller sat in for you very well, Ranking Member for a morning.

By the time we brought our bill to the Floor, unemployment in the construction trades was 970,000; today it is 1,900,000. We began work in earnest on a revised, upgraded, updated version. Our portion that passed the house in January this year was $85 billion. By the time we got through conference, that was scaled back to $64 billion. But through it all, through it all I insisted on transparency and accountability, and deadlines for the State DOTs to meet, for MPOs to meet, for the transit agencies and for all other beneficiaries of these funds. There is going to be accountability. We are going to show the American public where their dollars are going and the jobs created, and do this step by step.

I have been through three or four of these, and I served on the staff. My predecessor, we had in 1962, 1963, the accelerated public works program. That was $900 million, and it took a lot longer for the projects to play out. We would actually be under contract and get into work than was initially anticipated. Then, after I was elected to the House, we had Local Public Works I in 1977, and it took less time for those to go out than an accelerated public. Then we had Local Public Works II, and the process was not yet streamlined.

Now we have, learning the lessons of those three previous experiences, applied them in this legislation, required States to come up with only those projects that have been designed, engineered, right away acquired, EIS completed, public review process in place, and down to final design and engineering; all you need is the money. And that is for highway and bridge and transit and wastewater treatment facility projects, and then for the other Federal agencies, the FAA and the Corps of Engineers and so on. And we had lists of projects and we had States scrub those lists, and we had the MPOs do the same and we had the transit agencies do the same.

We had a hearing in September, we had a hearing in October, we had another hearing in January and everyone said kumbaya, we are all ready to be accountable to put these projects in place. So the purpose of this hearing is to be the proof of that pudding. Today is the day when the rubber meets the road, when the projects begin the accountability process. We are going to have another hearing in another 30 days. So we now have a total of $6.4 billion put out to bid on the highway and transit side in 47 States and the District, 1380 projects, 263 in which work has already begun, and, as of March 31st—we will have some updated figures today, I expect—with 1200 workers in the construction trades no longer sitting on the bench, but in the workplace; no longer being paid for not working, but being paid a paycheck where they can make their mortgage payments, they can send their kids through school, and they can contribute to this economy in a constructive and positive way.

With that, I yield to the distinguished gentleman from Florida, Mr. Mica, our Ranking Member, and thank him for his participation in this process all along.

Mr. MICA. Well, thank you, Mr. Chairman. Appreciate your calling this hearing and also helping us make certain that we acted responsibly and act responsibly in assessing how Federal dollars in a huge stimulus package that was well intended, but we want to make certain the funds are well directed. I appreciate your good work.

Now, I think I am going to give everybody a pass on this one because we are only a short time into this, a matter of weeks, but we still want folks to be held accountability and we are watching very closely how money is being spent.

I am not going to get up here, and there are other agencies that have not been as good a steward as Secretary LaHood and the Administration has been on transportation. I have got a $550,000 skateboard park in Rhode Island. I think you have seen that one on TV. We have got other money that goes for restoration of museum motorship. We have got different examples. So we have to keep our eye on projects that may not be of the best merit.

I won't get into all the transportation things that have been brought to my attention, but I do want to mention one, and that this is a bridge that served a corporation—I won't name it—that is probably making some of the biggest money ever in the United States. So I think we need to look at who gets the money and, again, how the money is spent. So that is the first point I want to make.

The second thing is it has been brought to my attention the State of Ohio plans to spend $57 million in Federal stimulus money on highway projects that won't begin for years. Now, I don't know if that is totally correct. I do know, however, in talking with my State transportation secretary and others throughout the Country—and I just came from a meeting with Colorado folks and some from California; and this is the same problem we faced before, Mr. Oberstar, when we were trying to get the bill done—that there are many projects that are caught up in process, so I guess we have to spend some money on study and getting those projects to where they can be eligible for this money. But we do have questions that have been raised there.

The other point that I want to say—and I think GAO has looked at this—is I am concerned about how grant recipients report job creation, which is one of the requirements under the Recovery Act. So we have accurate data on how many jobs are being created. The GAO found the existing criteria to measure job creation maybe too vague. So maybe in some tightening or tweaking—I know the Secretary can do some things within his power, and if he needs additional authority or direction or commentary in legislation, we will be glad to work with him.

Those are my concerns. But, again, I think we have to give folks a pass at this juncture. I think the hearing that we will have in another number of months here that you have scheduled will be very telling, because people want jobs and they want employment, and they want it now and they want infrastructure now, rather than later.

Thank you. I yield back.

Mr. OBERSTAR. I thank the gentleman. The purpose of the hearing is to have that very openness, accountability, and transparency in the process.

Mr. DeFazio for two minutes.

Mr. DEFAZIO. Thank you, Mr. Chairman. Mr. Chairman, I just want to focus on one entity in my State, because I think they have done something that could be replicated. TriMet in Portland—which I don't have the privilege of representing—took their recovery act money and put it into 30 separate projects. They have needs; they need buses, and they are all for new buses and efficiency, and we love the work that is done at New Flier and we are for jobs there. But since we have the second highest unemployment in the Nation in Oregon, they wanted a more direct local impact, and they were apparently fairly unique in doing this. They identified 30 separate projects. They have a need for a new bus fuel and wash facility; they are going to build that. They are going to put bus pads on city streets. They are building a park and ride. This is going to have much more of a local impact and create jobs.

And the other really innovative thing they have done is they have a new way of tracking the jobs. We are not going to use the estimates and say, well, we spent this much money, it must have created this many jobs. They actually are going to track the jobs online. They are going to be linked to the databases of the contractors and they are actually going to track the jobs weekly that are created by this money; and there is apparently a well developed system to do this; it has been used more for labor compliance, but now they are going to use it to track the job generation, and I think that could be a national model so we can get real hard numbers on how many jobs we are creating, which would help us to get the investments we need in any future legislation, in addition to surface transportation authorization.

Thank you, Mr. Chairman.

Mr. OBERSTAR. I thank you for those comments.

Now we will proceed to Secretary LaHood and Administrator Jackson. Thank you very much, both, for being here.

Mr. Secretary, this is your first appearance on the other side of the table. When you were first elected to Congress, you started your service in a very distinguished manner on this Committee. Welcome back. Welcome to the other side of the table.

TESTIMONY OF THE HONORABLE RAY H. LAHOOD, SECRETARY, U.S. DEPARTMENT OF TRANSPORTATION; THE HONORABLE LISA P. JACKSON, ADMINISTRATOR, U.S. ENVIRONMENTAL PROTECTION AGENCY

Secretary LAHOOD. Thank you, Mr. Chairman.

Mr. OBERSTAR. Congratulations on the great start that you have made at DOT.

Secretary LAHOOD. Thank you.

I sat right where my successor is sitting, about that far down when I first came on the Committee. There were bout the same number. So there is hope, Aaron.

[Laughter.]

Secretary LAHOOD. Not that you will be where I am at, but there is hope that you will eventually be up there where the Chairman and Mr. Mica are.

Mr. OBERSTAR. I will advise Mr. Secretary that he started off with his first comment in this Committee in a very appropriate fashion, and I said there was a great future for you here. You supported Member projects.

Secretary LAHOOD. Mr. Chairman, Mr. Mica, and Members of the Committee, thank you for inviting us today. I want to say a special word of thanks to a number of Members of this Committee for your leadership already. I have probably at least six meetings with Mr. Oberstar and Mr. Mica on a number of issues about the way forward, and I have met with Mr. DeFazio and other Members of the Committee on issues that are important to all of you, and

I thank you all for your leadership and inviting us here today to discuss the progress in implementing the American Recovery and Reinvestment Act of 2009.

I am enormously proud of the men and women at the Department who have worked extraordinarily hard to implement this groundbreaking legislation in record time, while fully embracing the letter and spirit of the Recovery Act's commitment to accountability and transparency.

While there is much work remaining, I believe we have already achieved enormous success. Of the roughly $48 billion provided to the Department by the Recovery Act, we have announced nearly $45 billion for roughly 2800 surface and aviation improvement projects. As of this week, more than $9 billion of these funds have been obligated in nearly every State and territory. Our modal agencies have done their part to move these funds out the door as quickly as possible.

The Federal Aviation Administration has been very effective in soliciting and reviewing project proposals and awarding discretionary funds so that ready-to-go airport improvement projects could begin. Within two weeks of passage, the Federal Highway Administration appropriated funds and has been working aggressively to move projects through the approval process. The Federal Transit Administration now has 136,000 transit agency grant proposals totaling nearly $1.5 billion ready to be obligated, and the Maritime Administration will soon award $100 million in grants to hundreds of small shipyards. The Recovery Act also makes historic investments intended to jump-start new high speed rail passenger service for the Nation. Later this summer, we will begin awarding a portion of the $8 billion in recovery funds to deserving rail corridor projects all over the Country. And the Department is finalizing criteria for awarding an additional $1.5 billion in discretionary grants for merit-based projects across all modes.

The upshot of all of this is that we are helping to restore a measure of hope to the middle class by putting men and women back to work in good paying, technical, and professional jobs.

I recently traveled to New Hampshire to visit a highway project funded by the Recovery Act. There, I met construction workers who were going back to work. Many of them have been laid off previously. These individuals are now back on the payroll, supporting their families and contributing to the local economy.

This unprecedented effort to invest in our Nation's infrastructure demands equally unprecedented levels of accountability and transparency. We want to assure American taxpayers that these recovery funds are spent wisely and on projects that add value to communities. The Department is providing effective oversight to meet the statutory requirements of the Recovery Act.

First, our internal executive oversight management team, the TIGER Team, has issued new guidance on data and financial reporting requirements to ensure that the money trail is followed closely and accurately, and that progress is shared clearly with the public on our recovery Web site.

Second, we have developed a systematic and comprehensive approach to risk management which the Office of Management and Budget has since adopted for government-wide use. This approach entails a formal assessment of potential risks and puts mechanisms in place to identify, mitigate, and validate risks across all program categories.

And, third, we have implemented new layers of accountability based in part on recommendations from the Department of the Inspector General and the Government Accounting Office.

We have made it clear to all staff that there is a zero tolerance policy for waste, fraud, and abuse as the recovery program unfolds, and we will continue to work with auditors to identify new and innovative ways to participate and respond to any accountability and disclosure challenges that arise.

Let me say that it has been a privilege to participate in the most ambitious effort to improve our Nation's infrastructure since Eisenhower commissioned the interstate highway system more than half a century ago. I am confident the Department will continue to assure that the Recovery Act works on behalf of all Americans to rebuild our economy and our future, and I look forward to your questions, Mr. Chairman. Thank you.

Mr. OBERSTAR. That is a very good start, very good report.

We have seven minutes remaining on the time of this vote. We will proceed to Ms. Jackson.

Administrator Jackson, thank you very much for agreeing to take on this challenge at EPA. You come with a great background and record of experience and service, and with a good spirit, as well, to move us ahead. So thank you very much for your service and we look forward to hearing your report.

Ms. JACKSON. Well, thank you, Chairman Oberstar. Thank you for those kind words. To you and Ranking Member Mica and Members of the Committee, I thank you all for the opportunity to appear before you today to discuss EPA's implementation of the American Recovery and Reinvestment Act of 2009. Like my colleague, I would be remiss if I didn't take just a moment to thank you and Members of this Committee for historic support of clean water projects which have made such a difference in the lives of so many Americans.

Every Member of this Committee has seen firsthand in your districts that our Nation faces the most pressing economic crisis since the Great Depression. When President Obama took office 100 days ago, he immediately began working with Congress to pass the Recovery Act to create and save jobs, jump-start the economy, and build the foundation for long-term economic growth. Seventy-one days after its passage, the Recovery Act is creating good jobs for Americans around the Country and making the investments that we have ignored for far too long, and EPA will play a key role in that effort.

The EPA has been allotted over $7 billion to put Americans back to work by investing in clean water, by cleaning up and redeveloping the toxic sites that languish in our neighborhoods, by addressing leaking underground storage tanks, and by installing technologies that reduce air pollution from diesel engines. These investments will not only improve human health and the environment, but they will create thousands of green jobs and spur training and innovation throughout the economy.

In Colorado, we awarded grants for diesel emission reductions on local school buses, which grows jobs, saves money for school districts, sparks innovation, and, most importantly, protects children when they ride to school in the morning.

In Portland, Maine, the Recovery Act will help put a small family-owned business struggling to pay its 19 employees, with no work and no contracts, back to work. Grants from the State Revolving Fund portion of the Recovery Act will allow them to put their employees to work and boost their local economy.

Another State Revolving Fund grant in Kermit, West Virginia is putting people in jobs to improve the town's wastewater treatment facility. Kermit, which is an economically distressed town, has been trying to get funding for this project for over a decade. Now, at a time when the economic needs are greatest, the people there are at work, improving the town and the environment surrounding it.

These programs will aid our economic recovery and will protect and increase green jobs, sustain our communities, restore and preserve the economic viability of our property, promote innovation, and ensure a safer, healthier environment. To realize all those benefits, time is of the essence. The speed at which we move is critical because the faster we initiate projects in struggling communities, the faster we initiate a nationwide economic recovery.

And, Mr. Chairman, EPA has quickly stepped up and responded to the task of getting money obligated to these various projects. The Recovery Act put new Buy American requirements on the Clean Water and Drinking Water State Revolving Funds, which are by far EPA's largest Recovery Act funded programs. In 70 short days, EPA conducted extensive stakeholder public outreach and, yesterday, issued a memo to its regions and States on how EPA will interpret this new requirement. Of the $7.22 billion thus far made available to EPA, we have already distributed over $1.8 billion to all 50 States. Of this figure, the vast majority, over $1.6 billion, has been obligated through the State Clean Water and Drinking Water State Revolving Funds, and nearly $100 million for the Clean Diesel program.

In addition, EPA is actively soliciting bids for Superfund projects. While the start time for the projects will vary, EPA expects to quickly have bids completed, shovels in the ground and jobs created. And to keep that money moving into the communities, EPA offices have specifically created internal management processes designed to expedite the flow of Recovery Act funds to qualified grant recipients and contractors. A portion of EPA's Recovery Act funds will be used to ensure accountability, oversight, and transparency.

The President has also made it clear that though we move with urgency, we must also carry out these efforts with full transparency and accountability. EPA has developed quantifiable outputs and performance measures, along with reporting requirements, to ensure that funds are spent as directed and that they meet the economic and environmental goals set forth.

Mr. Chairman, EPA has an extraordinary opportunity. We can help to provide solutions to our economic challenges at the same time we protect human health and the environment in communities across the Nation. We do not take that lightly. Nor do we fail to understand the extraordinary trust and responsibility put in us by you and by the American people to steward these funds effectively and efficiently. We are eager to work with this Committee, our Federal, State, and Tribal partners, and the public to implement the American Recovery and Investment Act of 2009 with oversight, accountability, and transparency.

Thank you gain for inviting me to testify here today, and I look forward to answering any questions you may have.

Mr. OBERSTAR. We will have questions. I am sure all Members have questions about the progress, but compliments to both of you on moving out smartly, quickly, and with those very focused comments that you just now delivered. Your seriousness of purpose is very reassuring to me and should be reassuring to the whole Country.

We have 320 Members who have not yet voted and a minute remaining on this vote. We have two five minute votes after this, and we will result in roughly under 20 minutes. The Committee stands in recess.

[Recess.]

Mr. OBERSTAR. The Committee will resume its sitting. I thank all participants for their patience.

Mr. Secretary and Madam Administrator, thank you again for your presentation, for a very crisp review of the status up to this point. I just want to project on screen this process for ensuring transparency and accountability that I crafted at the outset of our Committee version of the stimulus to put in motion the process that OMB has adopted, that the President has embraced, and that Secretary and the Administrator are testifying to, and that is a view that the funds would be best used if they went out by formula, if they went to State DOTs on the highway and to the MPOs and to the transit agencies according to a formula already existing in law for projects that, as I have already said, but I will say it again, were through all of the phases down to final design and engineering, cleared the public review process, are ready to go to bid but for the money; that this would be 100 percent Federal funds, so we wouldn't burden States, who already have severe fiscal problems, by requiring them to come up with matching funds; but that we would also require maintenance of effort, certification by each governor that they will continue with the program of projects they have already planned to do for the current fiscal year, that the State Revolving Loan Fund agencies would do the same, and the transit agencies would do the same; that there would be a sign-off on the program of projects for the current fiscal year under the 80/20 formula and sign-off for the stimulus.

Did you receive those certifications, Mr. Secretary?

Secretary LAHOOD. For every project that we have approved, we have received certifications from the States, their governors and the State DOT.

Mr. OBERSTAR. Thank you.

Ms. Jackson, has EPA received sign-off from the State SRF management entities on the program projects they plan to do and those that they will do on the stimulus?

Ms. JACKSON. That is part of the application, Mr. Chairman. So as we move through the SRF distribution process, we are receiving that information.

Mr. OBERSTAR. And, Mr. Secretary, have you had any resistance of any kind from State DOTs on the reporting, on the transparency and the accountability?

Secretary LAHOOD. Absolutely not. They get it. They know that these are dollars that are coming their way and that there has to be total transparency and total accountability, and we have heard no complaints.

Mr. OBERSTAR. Well, that is good to hear. I had the same reaction. Initially there was a little push-back and questioning, but then the county engineers, the career engineers in the various State DOTs all said this is an opportunity for us to show that we can deliver, that we can produce these projects within that 90-day framework. We had some push-back from some county engineers in my district I met with who said, well, you know, we will still have frost in the ground if you hold us to that 90 days. I said, have you ever heard of dynamite? Blow the goddamn thing up——

[Laughter.]

Mr. OBERSTAR.—and build it. Oh, you are ready seriously about this. I said, you are darn right I am. You are working, but there are 2 million construction workers who aren't. Your job, my job, our job together is to put them to work. That is what this is all about.

You have authority, Mr. Secretary, in the legislation for discretionary, about $1.5 billion in discretionary funding, and the question I had is you made reference to, in your prepared remarks to projects that are unique. What did you have in mind? How are those dollars going to be used for such initiatives?

Secretary LAHOOD. We have sent to the White House our memo on what we believe would be some good guidelines for the use of the $1.5 billion, and they are reviewing that information. My own feeling is that the Congress, when it passed the economy recovery and our portion of it, put a very good amount of money for roads and bridges, $28 billion; a very good amount of money for transit, $8 billion; obviously, the President's initiative on high speed rail; and $1 billion for airports. So our own inclination is to be thinking in terms of some other opportunities around the Country. But I can't be specific because I want the White House to have a chance to review this information.

Mr. OBERSTAR. Of course. I understand. So that is what you are doing with it, you have instituted an initiative for their review, and then you will come back and take action.

Secretary LAHOOD. That will be put in the record and everyone will know what the criteria is, and we will be off to the races.

Mr. OBERSTAR. That is great. The questions that we had early on in this process, as well, if you do it this way, if you do it the way the Committee proposed and then the way the President embraced, we may not get the best quality projects, may not have things that—that is not the criteria. The criteria is jobs. Does this put people to work in a short period of time? Are we taking them off the bench, are we putting them on the job, taking them off the unemployment rolls and putting them on the payrolls?

Do you have any questions, have questions been raised to you so far in this process about the "quality" of projects submitted? Does that make any difference?

Secretary LAHOOD. Well, look, Mr. Chairman, you know this and the Members of the Committee do because you represent very creative—there are a lot of creative projects; there are a lot of creative people in America. Everyone on this Committee represents people who want to get their friends and neighbors back to work, and there is no better way to do it than building infrastructure. There is no quicker way to do it than the way it was laid out in our portion of the economic recovery. We are getting the job done; the States are getting the job done. And you are going to see thousands of people working on some more traditional type projects, but some innovative and creative projects too.

Mr. OBERSTAR. Well, there will be plenty of time for long-term creative thinking when we do the six-year transportation bill, which we will have to discuss with you soon.

Mr. Mica.

Mr. MICA. Well, thank you again. I appreciate your coming in and keeping us posted on your progress. First, Mr. LaHood, most of your money is going through formulas to States, particularly on transportation projects. The States are really picking the projects, you are not picking them, is that correct?

Secretary LAHOOD. That is correct, the governors and their State DOT people.

Mr. MICA. Do you think we have enough controls or constraints or guidelines to try to get the best projects? Again, the Chairman and I share the same goal for job creation. I cited a few of them that have raised some eyebrows, about picks. Do you think that the guidelines are sufficient and that you have the authority you need to direct the money to get to jobs?

Secretary LAHOOD. Absolutely. We talk to the State DOT folks everyday, and the Vice President and myself talk to governors on a regular basis and——

Mr. MICA. A certain amount it appears is going for planning, and I am not against that or for studies, and that does also create jobs. We don't have any guidelines, though, as to any percentages that they can expedite, say, on studies, as opposed to construction?

Secretary LAHOOD. They have to meet our guidelines for putting people to work and——

Mr. MICA. Well, then, you have seen the GAO commentary. Is there something else we need to do to tweak this to make certain that there is clarity in, again, reporting on the job creation requirement that we have?

Secretary LAHOOD. We have worked with State DOTs and we are working with OMB to really get the best definition of what a job is so that we can really accurately reflect it.

Mr. MICA. You know, everything is based on experience, and we are only a short time into this, but would you anticipate additional guidelines being sent out on, again, use of this money and reporting back on job creation?

Secretary LAHOOD. Well, we are going to be reporting on job creation on a regular basis, on a quarterly basis.

Mr. MICA. But, again, the problem was the clarity in definition, which GAO identified as a problem. I didn't, I just——

Secretary LaHood. No. Look, it has been difficult and we are very close to really defining what a job is with the use of this money.

Mr. Mica. Well, again, if they have a problem or there is something we need to do legislatively, we can assist in any way, so I know you will let us know.

Mr. Oberstar. Would the gentleman yield?

Mr. Mica. Yes.

Mr. Oberstar. You raised a very interesting point about planning. The question is what is meant by planning.

Mr. Mica. Well, planning or study to get us to a project which is—we had talked so much about shovel ready. I cited the Ohio instance and there are others. I am not sure how many jobs that creates on a study——

Mr. Oberstar. I would just like to give mention to the gentleman I had met with two weeks ago. A young man from my hometown, he has moved away from Chisholm, Kevin Zalek. Kevin went on to engineering school, he is a civil engineer, and he and his wife came to Washington. He said, a month ago I was out of work. I am now back on the job and I am using this one week of vacation time that I earned designing roads. That is what our civil engineering firm does now.

Is that planning? He is back on the job as a result of the stimulus.

Mr. Mica. And I think that is part of the——

Mr. Oberstar. So I think those who raise these questions need to be a little more precise about what—not you, but the report you are citing.

Mr. Mica. The report back I got is that some of those that are being designed won't be built for three or four years, so that is the question. All I am trying to do is make certain that the money gets there and that there is clarity in also reporting back on the jobs that are being created. My heart aches seeing folks without a job, and our whole objective—your objective, the Administration—was to get people to work as soon as possible. So, again, we will work with you on that.

Then you have some other areas, I guess, under your—I think you spoke mostly about highway, but you have Coast Guard, TSA, maybe some FEMA money. How is that going out?

Secretary LaHood. We have money for ports and we have money for ferries.

Mr. Mica. What percentages? I mean, you reported $48 billion of DOT. Again, how much is formula and how is at your discretion to these agencies that wouldn't be formula, and how much of that——

Secretary LaHood. The $1.5 billion is discretionary; the $8 billion on high speed rail, we are going to be working with rail corridors around the Country on that money; the $28 billion is formula, that is for roads and bridges; the airport money, we had $1 billion, almost all that money is out the door.

Mr. Mica. Okay.

Secretary LaHood. Almost all of it is for runways.

Mr. Mica. Because some the States will get out, some you are getting out.

Secretary LAHOOD. The transit money, we are working directly with transit——

Mr. MICA. What percentage of your money that isn't by formula would you say is out, 90 percent, 80? Do you know? Or maybe you could let us know, because we are giving money in big bulk to let States distribute money, and then we have responsibility to get money out too, Mr. Chairman, from agencies. So if you could let us know on that, I would appreciate it.

Now, EPA, your money isn't going out by formula, you are doing grants, or are there also formula support? Could you give us an update on that, please?

Ms. JACKSON. The vast majority of EPA's money, $6 billion out of our $7.2 billion, go through the State SRF programs. That is a program with 30 years of experience. Every year States do——

Mr. MICA. But the bulk of yours is——

Mr. OBERSTAR. Goes by an allocation—if the gentleman would yield. Goes by an allocation to States established over time, and that is fixed in policy.

Mr. MICA. But my question is all that can go out has gone out to that, and then you have some discretionary money, which would be about $1 billion, then?

Ms. JACKSON. It is about $1.2 billion.

Mr. MICA. Okay.

Ms. JACKSON. And not to correct you, but, for the record, about 25 percent of the formula-driven money is out. That is because States have to give us applications for the money. We are turning those around in two to three-week time periods.

Mr. MICA. So 25 percent——

Ms. JACKSON. Of the formula-driven money, yes, sir.

Mr. MICA. That is the $6 billion?

Ms. JACKSON. Yes, sir.

Mr. MICA. Okay. And then of the discretionary money that you have to award for grants, it is about $1.2 billion. How much of that is out?

Ms. JACKSON. Very little of that is on the street right now. About $600 million of that is for Superfund, $100 million for brownfields. Those goes out through contracts.

Mr. MICA. How soon can you get that out?

Ms. JACKSON. I believe we are talking months. As I would explain it and as my staff explained it to me, we are dealing with a few up-front issues which have slowed us down just a bit, but I feel very confident that we will see the bulk of the money moving——

Mr. MICA. Can you let us know? And if there is anything we can do legislatively. If the impediment to getting the money to get the jobs is something we have to adjust, can you let the Committee know?

Ms. JACKSON. I would be happy to.

Mr. MICA. Like I am meeting with brownfields folks. I needed to ask you that question to tell them that the money isn't out yet, and I have got to be able to tell them when. Everybody wants to know when is the money and how much will be available. Thank you so much.

Thank you, Mr. Chairman.

Ms. JACKSON. Thank you.

Secretary LaHood. Mr. Chairman?

Mr. Oberstar. Yes, Mr. Secretary.

Secretary LaHood. Just for the record, since these Ohio studies, I want you to know that we haven't approved anything. Nothing has been approved on these studies for Ohio. We are looking at it, we are working with them. Their folks would like them to be funded, but we want to make sure that people are going to go to work and they meet the criteria. So there has been no funding for any of these studies in Cleveland or Cincinnati, just for the record.

Mr. Mica. And I am not against that. Again, we want to make certain that we are putting people to work in something. Again, we have to do the planning to do the job, but if the job and the shovel-ready isn't three, four years out. I don't know that even, Mr. LaHood, to be the case, but our intent is to work with you to make certain that there are no impediments from our standpoint or your standpoint not get money out. So thank you.

And you all have done a good job. Just getting on stage, I said at the beginning this is not a time to criticize, it is not a time to go into depth; we will do that later on. But right now, if we can identify any problems or anything we can do to assist you and make this all happen, that is the point of this. Thank you again.

Mr. Oberstar. In another 30 days we will have another shot at it.

Mr. DeFazio.

Mr. DeFazio. Thank you, Mr. Chairman.

Mr. Secretary, thank you for being here today. I think you were here when I made my brief opening remarks I would like to refer to your staff what TriMet is doing in terms of the database they are utilizing, where we get a very direct measure of at least primary job impact. Obviously there are secondary and tertiary effects in the community from those jobs, but I think it would be useful, because I believe, just from my experience, there are a few skeptics about the job generating capability of transportation infrastructure investments among the President's economic team, and we want to have the most convincing, hardest data possible to show to them.

Secretary LaHood. We will work with them.

Mr. DeFazio. That would be great.

Secretary LaHood. Thank you.

Mr. DeFazio. I would like to ask about the high speed rail. I am wondering. I believe we have 11 national designated corridors?

Secretary LaHood. That is right.

Mr. DeFazio. Are you thinking of spending the money across those corridors or concentrating on one corridor to try and have a significant result?

Secretary LaHood. The illustration that I want to use is this is not dissimilar to when President Eisenhower signed the interstate bill. All the lines weren't on the map; it took three decades to get all the lines on the map, thanks to the Congress providing the dollars and the Highway Trust Fund and all of that. So we are at the beginning. So if somebody in the Country has a little heartburn that they didn't see their rail line, that doesn't mean it is not going to be on there. What we are going to do is convene a meeting with all the high speed rail corridor folks that have been dreaming about high speed rail for one day, one year, 20 years in Washington to find out what they are doing so they can give us a sense as to where they are in the process. Some of the money will go to help a corridor do a study to figure out what the alignment should be.

In California they are way ahead of the curve; they have passed a referendum. They have been working on it for 20 years. There are corridors in New York. We know that the northeast corridor is there and probably could use some money to get to a little higher speed.

So all of these corridors are in different phases. We are going to get them all together in a room and say not one corridor is going to get the $8 billion. We want to use it in a way that enhances opportunities so that, 20 or 30 years from now, we have high speed rail in America, and perhaps some of it is even connected.

Mr. DEFAZIO. That would be great. That is a great vision and I endorse it. Some of it even connected would be great.

We had one of the first six in the Pacific Northwest and we have been running an Acela train set on it, which is leased and operated by Amtrak, and it is a great train, but it doesn't get to go anywhere near its potential speed. And my State is working on some alternate routes to avoid some of the congestion. So, anyway, I am glad to see you are going to have an open process, bring folks in and see where we can leverage money and make progress.

I know it is not your department, but I did suggest this to others in the Administration. I said we could cancel sending a man to Mars and invest that money in a 25-year plan to have high speed rail interconnected in the United States of America. Everytime I say this at a town hall meeting I get applause. We can send a robot back to Mars if we have to look around some more, but I think the high speed rail system would be of more concrete value.

Secretary LAHOOD. Mr. DeFazio, just for the record, I want people to know it is $8 billion in the recovery money that you all supported. There is another $5 billion that the President is going to include over the next five years, so we are talking about $13 billion. That is 13 billion times we have ever had at the Department.

Mr. DEFAZIO. Oh, no, it is a tremendous step forward from historic levels of neglect, in particular. In any case, I won't belabor that. Just one other point or question. I haven't seen a recent number on trust fund estimates. Are you anticipating that we will have to make an allocation into the Highway Trust Fund in order to maintain solvency during this fiscal year before we get to the new authorization?

Secretary LAHOOD. Well, we are watching it very closely, and I think we can probably give you better guidance mid-summer.

Mr. DEFAZIO. Okay.

Secretary LAHOOD. But we are watching it. I mean, I was here last year when we all supported $8 billion out of the General Fund into the Trust Fund, and we are watching it very closely.

Mr. DEFAZIO. Well, I think you are doing a great job over here with the recovery programs, and we just don't want to have an offset over here losing our regular program funding and planned projects, which offsets the jobs we created here.

Secretary LAHOOD. Good point.

Mr. DEFAZIO. So appreciate that.

Secretary LAHOOD. Thank you.

Mr. DEFAZIO. Thank you, Mr. Chairman.

Mr. OBERSTAR. Mr. Petri.

Mr. PETRI. Thank you very much, Mr. Chairman.

Thank you, Mr. Secretary, for being here. I just wanted to mention a concern that a number of—I met with our State association of municipalities, and mayors perceive themselves as where the rubber hits the road and providing an awful lot of services, and their concern was a delay in going through Federal to State down to local projects and wondered if any thought had been given at all to trying to move stimulus money through the community block grant program directly to cities for just road maintenance and upgrading sewers and some of these sorts of things. We have a lot of communities that are on a regular schedule of redoing their roads. Milwaukee is every 110 years, for example, so they could do quite a bit fairly quickly in terms of—and that doesn't require delays because the infrastructure is already there, so they don't have to go through the planning process and all the different approval processes.

Secretary LAHOOD. Well, Mr. Petri, we are going to follow the law. The law that was signed by the President, that was passed by this Congress does not allow for money to flow the way that you have suggested. Look, the President invited mayors to the White House just as he was signing this bill, and we know that there is some concern and heartburn about the fact that it is more difficult for local elected officials, but our advice is work with your State DOTs and work with the governors. The way that the Congress passed this, the $28 billion for roads and bridges, we are working with the State DOT folks, because they have a mechanism to get it out the door or to get the money and have us get it out the door in a way that comports with the 120 days that you all put in your bill. And on these other modes, whether it is transit or airports, we are complying with the law. The law does not allow us to do what you have suggested.

Mr. OBERSTAR. Would the gentleman yield?

Mr. PETRI. Of course.

Mr. OBERSTAR. It is an intriguing idea of using the community development block grant program, but when, early on in this process, the U.S. Conference of Mayors and the National League of Cities came in to visit about the stimulus, I asked them what specifically they would recommend in addition to assuring that funds go out by formula through the MPOs. They said if we get that, they are satisfied, and they jumped for joy, in fact, at their various meetings and had a news conference at which we announced this. So I am intrigued by the idea of using CDBG, but I think the Secretary is right, there is no existing authority. And there were some ideas early on for various aspects of the program, all of which would have required new legislative authority, and I said, in concert with Mr. Mica, that we would not do anything new; we would use existing law, existing formula. That is known and that is a known process, and we wouldn't raise any additional questions about it. But thank you for the suggestion.

Does the gentleman have further questions?

Mr. Boswell.

Mr. BOSWELL. Just briefly. When you took on that responsibility, Mr. Secretary, we had some conversation around the hallways that we thought was pretty good. We are pleased and appreciate the enthusiasm and expertise you bring to the challenge. You have got a big challenge, we know it, and I have every confidence we are going to work together and move the Country forward. I just want to thank you for your efforts.

Secretary LAHOOD. Thank you, Mr. Boswell.

Mr. BOSWELL. I yield back.

Mr. OBERSTAR. Mr. Brown.

Mr. BROWN. Thank you, Mr. Chairman.

Thank you, Mr. Secretary, Madam Administrator for being here today. I appreciate very much the insight. I know that, from a South Carolina perspective, we were just kind of concerned about the mix between new construction and maintenance. Do you all have any kind of analysis on those numbers?

Secretary LAHOOD. The difference between the dollars we are spending, the mix between maintenance and—Mr. Brown, the law is very specific on this. The $28 billion for roads and bridges can either go to projects that were stopped because the State ran out of money and didn't have the money to finish it, or they can go to projects that have been sitting on a shelf somewhere that are ready to go. The dollars that we are sending out the door are really for those kinds of projects.

Mr. BROWN. So basically you just send a fixed amount to each State and then they really have the discretion, under those two parameters, to determine how those funds will be spent?

Secretary LAHOOD. We use the formula that each State gets, so your State gets X amount of dollars, and under our provisions they would get that amount. Then it is up to the governor and the State transportation people to send us the projects that they would like to be funded. If they meet the criteria, we send the money out the door, and there is no match involved.

Mr. BROWN. And if the States do not spend those funds, what happens to those funds? When is their deadline for——

Secretary LAHOOD. Well, we are just getting the money out the door. I want to tell you this, though, Mr. Brown, and to the entire Committee. Every governor, all 50 governors, have accepted the transportation portion of the economic recovery. I want everyone to know that. Because you know why? Because they know they can spend the money, put people to work in good paying jobs, and it is not going to take forever to do it.

Mr. BROWN. Well, that is the reason I was hoping, when the bill passed through the legislature, that it was more than $28 billion involved. I was just hoping it would have been $200 billion, because I know we have a backlog of needs in our State, and I am sure around the Nation. In fact, it brings me to my next question. There has been a long call for providing significant funding towards expanding our current interstate system. AASHTO has called for at least 10,000 miles of new interstate corridors. Are any of the highway dollars under the ARRA going towards interstate expansion?

Secretary LAHOOD. Going towards interstates? Again, it is up to the States to decide with our highway folks. If they have projects that they started and stopped because they ran out of money, or if they have projects that are interstate projects and they meet the standards by our Department, we will certify them. But it is up to the governor and his State folks to find out what our criteria are and then to meet that, and the money will go out.

Mr. BROWN. I was real pleased to hear you say that nothing has really been done since Eisenhower, and I am really hoping that, as we look at the next reauthorization bill, that we will be able to address some of the gaps in the interstate system, and I would hope that you would bring some recommendations to us to help fill those gaps.

Secretary LAHOOD. Yes, sir.

Mr. BROWN. Thank you.

Secretary LAHOOD. Thank you.

Mr. OBERSTAR. I thank the gentleman for his observation about $200 billion for the surface transportation program. We also contemplated a much larger dollar amount when, in December of 2007, I initially proposed a stimulus initiative and thought of a much bigger figure, but when I asked AASHTO for a survey of State DOTs and the numbers came in, we had 6500 projects that fit the criteria that can be under construction within 90 days. We had a smaller universe than $100 billion of funding. My objective in fashioning the program was to do something that is doable; not that is dreamable, but that is doable, and the funding they came up with, those 6500 projects, seemed to be very much within the realm of the doable. We could have done a $200 billion stimulus program over a period of three years, but I think it might have been diluted by the time we got to that point.

Ms. Edwards.

Ms. EDWARDS. Thank you, Mr. Chairman. I just have one question for Secretary LaHood. I understand the importance of the local and county officials working with their governors to make sure that they also benefit from the Recovery Act, but you can understand that it is quite a challenge, even in those States, like my own, where the politics line up. So I wonder if there is some way that you look at what States are doing in terms of whether there is an allocation across the State that is fair and meets with many different needs and touches on multiple communities, because you can understand that, as a Member of Congress, we get these questions all the time from our local counties, our mayors; we haven't gotten our fair share. What kind of assessment do you make of the States in terms of the fairness of the distribution of the funds?

Secretary LAHOOD. Well, at this point, it is a little difficult. Probably in about 30 days I could give you a better picture, because we are just now starting to certify projects and will be seeing where the money is being spent. But look, I want you all to know this Administration has a sensitivity to this. The President invited the mayors to Washington, and we listened to them and we know that there is a fair amount of heartburn that they don't feel that they aren't really getting their so-called fair share; and they have as many potholes as maybe another part of the State does.

And the truth is there are cities, like New York or Chicago or LA, that would have the capability to do it, but there are a lot of other small cities around the Country that don't have the capability or the staff or the expertise to do what needs to be done in order to make sure we are spending the money correctly. The big cities don't have that problem; they have good people. And I met with the mayor of New York, Chicago, LA, Atlanta, and they told me all the same thing; we have the staff, we can accept the money, we will check all the boxes. But you get to smaller communities, communities of 50,000 or less, they don't have it, and that is why we really had to use the State DOTs to make sure it was done correctly.

But there is a sensitivity towards the mayors, and what I have talked to the mayors about is when you all fashion a new bill, the metropolitan planning organizations were a good mechanism to help build the interstate system and infrastructure, but you have to have an opportunity now for suburban areas and rural areas to have some say in how they are going to get their portion of these dollars, because, as I said, they have as many potholes and bad roads as others do. And I hope you all will think about that. The metropolitan organizations have been fine, they did a good job, but they weren't inclusive enough to include a lot of other areas in the State like rural areas and like suburban areas. And you have mayors like Mayor Blumberg, Mayor Daly, the mayor of LA, the mayor of Atlanta who are reaching out to a lot of these mayors so they can be a part of the planning for infrastructure, because these things are connected. But for now we are left with the bill that we have and our ability to get the money out quickly and to get people on jobs. But I will try, within the next 30 days, to give you a better report on how some other cities are doing in States where they have had to deal with their DOTs and their governors.

Ms. EDWARDS. Thank you, Mr. Secretary, I appreciate that, because it is really a challenge to explain to the 23 municipalities in my little congressional district and a couple of counties about where that money is flowing in our State, and I think our State is one of the States that is actually doing a really good job, but it is still a challenge.

Just one last question for Administrator Jackson, and it has to do with the green infrastructure project, because we have also passed out of this Committee a bill that we hope is going to eventually make its way to the President on the Water Quality Investment Act. The Recovery Act actually has a framework for green infrastructure that will, if it is done in the right way, will be the framework for doing the other green infrastructure, so I am concerned about how that is implemented and I wonder if you can speak to that and speak to the sort of green-washing question, because we don't want States using their 20 percent set-aside to say we changed lightbulbs, because I think there is great value in that, but I don't think that that was what we intended in Congress when we passed the Recovery Act.

Ms. JACKSON. Well, thank you, Ms. Edwards, and thanks to the entire Committee for the leadership it showed on the Green Project Reserve issue and for your interest in it. Just as a real quick update for those who may not have focused on this very issue, there is 20 percent set-aside of that $6 billion in a set-aside to be used for water-efficient, energy-efficient projects, innovative projects, sustainability projects, and we see that as a very important opportunity to show practitioners all across the Country that there are ways to make these projects sustainable in the long-term, where energy costs go down, meaning rates go down, meaning clean water becomes more available to people, not less available, and we are not constantly trying to catch up.

We have committed to holding States, through their intended use plans, to a very high bar for the 20 percent. Two weeks after the legislation was signed, we came out—I am proud of my staff, they came out with guidance on this Green Project Reserve. That guidance included a list of the kinds of projects that are eligible. If you pick one of those projects, you don't have to justify anymore that it qualifies for the GPR. If a State wants to make an argument that they have another project that should qualify, they are going to have to show how that meets the guidance in the Green Project Reserve.

We know that people are looking. We see this as an opportunity. Our own inspector general sees this as a very important place where EPA should hold a high bar, and we look forward to doing that.

Ms. EDWARDS. Thank you, Mr. Chairman.

Mr. OBERSTAR. I thank the gentlewoman for those questions, for the observations she made. And for those mayors who are raising questions, one, the MPOs have their formula distribution dollars that are in existing law and are part of the stimulus program, so the recovery funds are going out to those cities that have MPOs. Those that do not have to ask the question is the street project that I want fixed part of the national highway system. If it is not, if it is not on the 160,000 mile national highway system, then it is not eligible for funding, because it has to be part of the national highway system formula.

Mr. Secretary, thank you for your comments about rural roads. I assure you we will have a robust formula for rural roads.

Of the 43,000 fatalities that occur on the Nation's highways, and have done for the last decade—that number hasn't come down; we need to bring that down—half of those fatalities occur on rural roads. Half of the people killed on rural roads are urbanites, and half of those fatalities occurred due to drunk driving or alcohol and drug-related driving. We have to attack both of those issues. We have to have a means by which States will be able to review their portfolio of rural roads and establish a six-year goal of bringing them up to a 10-ton road weight level for spring planting and fall harvest, as farms become fewer and larger and the needs to supply the farms and to bring out the harvest increase in load weights. We have to do a far better job in this next six-year period, and that is going to be an accountability issue; it is going to be a performance-driven approach, and we look forward to your participation.

Mr. Boozman.

Mr. BOOZMAN. Thank you, Mr. Chairman.

I appreciate both of you all so much for your willingness to serve in these positions. You almost have to have the wisdom of Solomon, and we pray that you will have that.

Ms. Jackson, I had a situation where some of your folks came to visit with me about an issue, and then I wanted to follow up later on, so I asked my staff to get the phone number so that I could call one of the individuals that was there, and I was told that we couldn't do that, that we needed to go through the Government Affairs people, that I didn't have the ability to get on the phone and talk to the administrator or whatever of the particular thing. Is that how things are going to be run at EPA in the future? I have never had that situation with any agency before. I have got 675,000 people that I represent, and they feel like I should have the ability to talk to the people that run the programs. So is that something that is going to be that way in the future?

Mr. OBERSTAR. If the gentleman would yield. I have had that experience over the last eight years. I don't expect that procedure to continue under this Administration.

Ms. JACKSON. Thanks to you both. I do apologize if you have had that experience. Part of EPA's job is to serve Congress and to get you answers for your constituents. The only request I would make is that we coordinate so that we can make sure you are getting answers out of the program. But if there was a concern, please let me or my staff know and we will rectify it for you.

Mr. BOOZMAN. So, like I say, then, if I call and ask for somebody's phone number so that I can talk directly to them, is that something that you are going to do or not do?

Ms. JACKSON. I am happy to make staff available to you. If you want to make sure that the answer that an individual staffer is giving you represents the Administration's position or my personal position, then I would only ask that we coordinate it through Congressional Affairs. But we will make staff available to you directly.

Mr. BOOZMAN. So you won't give us the phone number directly.

Ms. JACKSON. You are welcome to the phone number. In fact, sir, the phone number for every EPA staffer is on a Web site.

Mr. BOOZMAN. I know. That is what was so ridiculous about the whole thing. And I guess the question is—and, again, I have been on the Committee for many years; Mr. Oberstar is a good friend and does a tremendous job as Chairman. I mean, he had the problem evidently as a Democrat last time. Is this a Republican-Democrat thing this time?

Ms. JACKSON. We are nonpartisan at EPA. You are welcome to service and any number you would like. I do apologize for how you were treated; it isn't the way we would like to model our business, and we will get you whatever information you need.

Mr. BOOZMAN. Good. Thank you very much.

Ms. JACKSON. You are welcome.

Mr. OBERSTAR. We will work with you to make sure that doesn't happen.

Mr. BOOZMAN. If you will yield, Mr. Chairman, you know that I am fairly easy to get along with, but it does seem like that we should have the ability to access people that are in various things. Again, just in follow-up, we are all busy. If we have to have some sort of——

Mr. OBERSTAR. That is just simply nonsense. We shouldn't have to go through a KGB organization. We are not going to have that.

Mr. BOOZMAN. I agree.

Mr. OBERSTAR. And you are easy to get along with, except for that time I went out to your district and the Chamber of Congress presented me with a hangman's noose.

[Laughter.]

Mr. BOOZMAN. Well, they did two things. They presented you with a hangman's——

Mr. OBERSTAR. That was an award of honor, though, I was told.

Mr. BOOZMAN. It was. And they also gave you a Liberty card where you could do anything you wanted without getting in trouble.

Mr. OBERSTAR. That was wonderful.

Ms. Norton.

Ms. NORTON. Thank you very much. I must say, the whole notion of a Member of Congress calling an administrator or a cabinet member and being told that you have got to talk to Congressional Affairs, that is a personal insult to a Member of Congress. All I can say is they better not do it to this Member. I mean, that is the most outrageous thing I have ever heard. You say it has happened before.

I will yield to the gentleman.

Mr. BOOZMAN. Yes, ma'am. This was not a cabinet member, this was just a very hardworking, but lower level member of the EPA.

Ms. NORTON. Well, I would think that if someone calls somebody, maybe they have got to talk to somebody before they call back, but I have never heard of such a frontal insult to a Member of Congress than sending it to somebody who obviously doesn't know, because they are the liaison. So I just want to just go on record as agreeing with my good friend on the other side and how astonished I was to hear it.

I want to welcome both of you. I want to tell you, Secretary LaHood, we miss you already and I am very pleased with how you are performing.

Lisa Jackson, I don't know you. I hope to get to know you. I will tell you one thing, Donna Brazil does, and my former chief of staff has certainly regaled me of how fortunate we are to have you.

I mention this only in passing, Mr. Secretary. I want to ask you in a little greater detail here. We discovered, when the stimulus money was about to go out, a section of your statute and ours that has long allowed States to spend some of the money for training. States have not regaled themselves of that, and one thing I would like to ask you to do is to provide this Committee with a list of the States—and I believe this has been since 2000, that in the authorization they could have used 0.5, I think, percent, up to that, for training. As a result of States not doing this, this is what we face with the stimulus money. Seventeen States have used it. Within 30 days, could you get to the Chairman the States that have used it and the amount that has been used on training from the authorized funds of the Transportation and Infrastructure Committee that come out every three or four years?

Secretary LAHOOD. I will get it to you.

Ms. NORTON. Yes, thank you very much. The reason I am concerned is that, in light of the failure to take advantage of what was an encouragement, we required in your stimulus package and mine for a specific amount; not a specific percentage, a specific amount. Unfortunately, these amounts are very small. For the transportation funds, the appropriators allowed $20 million could go for training, and of my own $5.5 billion only, only $3 million for training. What occurs to me is that is going to be real difficult to spread out, especially since this money is going to 50 States, the territories, and the District of Columbia. So some how or the other, the Department of Transportation and, for that matter, the GSA is going to have to figure out how to use a tiny amount of funds to start up training.

I intend, Mr. Chairman, to make this a requirement in the new reauthorization funds. This is what we have done to ourselves. If there had been no training, this is what we confront: We would confront, on the one hand, the highest unemployment rate among journeymen. Because there has been no consistent training of minorities and women, you have an overwhelmingly white male workforce. Then you have these people who have never gotten a foothold, people of color and women. Now, all you have to do is get some money out on the street and people without jobs begin to say, well, where in the world are the jobs for "people that look like me," the familiar cliche.

The way in which we sought to avoid this without enough money to do so was to begin to train systematically, at least to some degree, minorities and women to allow them to get a foothold in the construction trade by setting aside some funds for those. Now, you know, $3 million nationwide, $20 million, put them together and that is not any money.

Have you considered how to best use this money, perhaps for models going forward for reauthorization? Since you can't possibly, I suppose, spread it out and get much out of it, how your $20 million will be used, given the huge amount—I am not even sure what the amount is for highways now—how to go the biggest bang for the smallest buck out of that appropriation?

Secretary LAHOOD. You know, we really haven't had much discussion about that, but let me get back to you, because I take your point on this, that it is difficult for people of color and others to sometimes get into opportunities, whether it is labors or other building trades. So I will get back to you with that.

Ms. NORTON. I would appreciate it. It seems to me it might make some sense, since highways and GSA are both in the construction business——

Secretary LAHOOD. Right.

Ms. NORTON. — for the two to collaborate so that we can get the biggest buck out of this. I can tell you this, Mr. Secretary, there will be howls. You have got the highest unemployment rate in your sector. These guys have been out there without work for the longest time. There are going to be howls unless we are able to say more about what we are doing with training, when people see all these journeymen out of work. They are not journeymen. There are, of course, minorities and women who are journeymen compared to what they would have been had we been systematically training using our funds, it is a pittance. And I bring this to your attention because there is going to be wholesale criticism in the States, and particularly in the cities, when they see this occurring, and I would like very much to work with you to have GSA, which comes under my own Committee's jurisdiction, the Committee of which I am Chair, work with Transportation so for, example, we might say where you are putting some funds, we would go someplace else so that the training, with as little funds as we had, would be at least spread out and we might be making sure we were using contractors who knew what they were doing, and not just throwing some money out there to say go train some minorities and women. There are a few who really do know what they are doing.

Secretary LAHOOD. A very good point.

Ms. NORTON. Ms. Jackson, we have been told, this very day, that there is going to be some testimony from the IG at EPA about insufficient trained staff at EPA for doing the job that has to be done with Recovery Act, timely way, and that there is a potential for waste and fraud. I ask this question as a Member of this Committee, but also a Member of the Oversight and Government Reform Committee, where hearings have been held that have shown how difficult it is, even when you are not pushing money out very quickly in order to get jobs and saying get it done, time frames like the one we have set in this Committee, and already she alerts us that trained staff to do it, one, are there enough staff to do it? What actions are you taking so that it doesn't hit you in the face when somebody comes up—could be the IG, it could be somebody else—that says EPA funds are being wasted and the like?

Ms. JACKSON. Yes, I am aware that the IG has expressed concerns. In fact, our IG has already indicated that it has concerns about management of these funds, primarily because of the amount of money that is coming and, as you cited, the idea of pushing it on the street.

You asked what we are doing to be in front of that issue, and we have done a number of things. I do believe that we have sufficient amount of staff. I do believe that we need to prioritize——

Ms. NORTON. The staff already on board or were there additional staff?

Ms. JACKSON. There is about $81 million to allow for additional oversight, as well as administrative work so we can augment. So we are doing some augmentation of staff, but not whole scale.

It is a matter of setting clear standards and then working weekly, and EPA has set up a stimulus steering committee—the IG is a member of that committee—weekly to identify issues as they come up and to identify and open lines of communications, first, amongst our own staff and to ensure that EPA is communicating adequately sometimes very new requirements to States and municipalities. So it is an ongoing process——

Ms. NORTON. What about training? She is going to say that you don't have the trained staff to do it. Now, this is a terrible burden to put on you; get it done, train staff, and make sure they can do everything you are supposed to do over a record period of time. What are you going to do about training? Are you going to have to bring on people to help you——

Mr. OBERSTAR. I am afraid this is going to have to be the last question. We are having a vote fairly soon and other Members are waiting, and we need to get to everybody, so please——

Ms. JACKSON. Any new staff will certainly need to be trained. The good news for EPA is that all of the money is moving through programs that we have run for years. The SRF programs, the Superfund programs, the brownfields programs, the diesel program, the LUST program, and EPA's staffing numbers were the one thing that were protected during years of some fairly significant budget cuts. So I do appreciate the IG highlighting the idea that trained contract managers, trained grant specialists need to be there in sufficient numbers, and we are certainly turning our attention to that as well. Right now, I feel certain that between EPA and the partnership—and it really has to be a partnership with States and municipalities—the vast majority of that money is going to be safely and transparently managed.

Ms. NORTON. Thank you, Mr. Chairman.

Mr. OBERSTAR. The gentleman from Pennsylvania.

Mr. SHUSTER. Thank you, Mr. Chairman. Also, I am glad to hear your comments on a robust rural program in the upcoming authorization bill, so I applaud that. Contrary to popular belief, my district still has needs for infrastructure and highway building. Probably the number one misconception I face in my time in Congress.

[Laughter.]

Mr. OBERSTAR. I remember so well, after ISETEA and Senator Moynihan was asked by the reporters, well, which State came out ahead on this, Moynihan drew himself up to his full professorial stature and said I believe the State of——

Mr. SHUSTER. Altoona.

Mr. OBERSTAR.—Altoona.

[Laughter.]

Mr. SHUSTER. Now, you have just increased the pressure on me to perform in the next bill.

[Laughter.]

Mr. SHUSTER. But I want to thank the Secretary and the Administrator for being here today. I appreciate your service. Also, PennDOT and the district engineers, the money is flowing out, the contractors are getting back to work, so I congratulate you and thank you for a job well done. We need to keep that moving. I also want to echo what my other colleague said. I wish it would have been $200 billion or $150 billion, or something more north of where we ended up. But that being said, again, thanks for what you are doing.

A question about high speed rail. We have identified, I believe it is, nine corridors around the Country, one that we left out, which I don't know how it happened, was the northeast corridor is not identified as high speed rail corridor. Hopefully, we can correct that in upcoming legislation. But that $13 billion, which 5 on top of the 8 I guess were the numbers, can you tell me a little bit about the strategy about spending on that? Because my concern is that we will just put dribs and drabs all over the place and not really focus on getting a couple of those corridors completed. California I think is fairly far ahead; the northeast corridor, of course, Amtrak is there and we own the track; and I believe the midwest, Milwaukee to Chicago, not only are they far advanced, but the fact that we have got a Secretary of Transportation and Chief of Staff at the White House and the President all being from Illinois would seem to me those would be the three corridors we might want to focus on to spend that money to really get something done, instead of, as I said, just doing partials here and there, and I wonder what your thoughts were on that, Mr. Secretary.

Secretary LAHOOD. Well, first of all, let me just pay my compliments to your governor and his transportation people. The reason that Pennsylvania is doing so well is because they have shown extraordinary leadership. I have been over there on a couple of different occasions with the governor, with the mayor of Philadelphia and other mayors, and there are an awful lot of people that are going to be going to work very, very soon in Pennsylvania. So they are to be congratulated for that.

With respect to high speed rail, I go back to what I said to Mr. DeFazio. This is the beginning. When the interstate system was formed, all the lines weren't on the map. All the high speed rail lines are not on the map, but the people that have been dreaming for decades about high speed rail have now seen their dream come true because there are $8 billion in our portion of economic recovery and another $5 billion in the President's budget over the next five years. We are going to jump-start opportunities for high speed rail very, very quickly, and every corridor is in a different phase of implementation. So our Department is going to convene a meeting of all the high speed rail dreamers from around the Country, representing corridors including the northeast corridor, the midwest corridor, southern corridors, western corridors. We are going to ask them to bring their dreams and plans to Washington and talk to us about it so that we can work with them to figure out what is the best use of the $8 billion to really jump-start our opportunities.

Two or three decades from now the dream will be that America will be the model for high speed rail. Europe is now, and so is Asia, but we can be too, the way that we are for the interstate system. That dream really came true because of President Eisenhower and a Congress that wanted to put the dollars into it. That is why we are the model for the interstate system. We will be the model for high speed rail if we use our money in wise ways and take the kind of expertise that exists in the Country today for people who have been doing this on their own dime. We are right on the cutting edge of developing a system that I think will be the model for the world at some point here in the next couple of decades.

So not any one corridor is going to get all the money. Some may get a portion to begin a process of dreaming and others will get a portion so they can really kick-start their opportunities.

Mr. SHUSTER. That is good to hear.

Secretary LAHOOD. The northeast corridor is a part of high speed rail; they have been on the cutting edge of passenger rail. And if you straighten out a few lines in between these communities that Amtrak runs, you can get up to a fairly good speed.

Mr. SHUSTER. That is good to hear and you sound excited, so I appreciate that.

Secretary LAHOOD. All right.

Mr. SHUSTER. Thank you. I see my time has expired. I just wonder, Administration, if you can give me in writing—you don't have to answer because my time has expired—how is the EPA working to streamline some of these approval processes. I know that the nature of most of the projects out there are on the shelf or in the process. Many of them have probably gone through the process, but any time, I have found in the past, you have a project that comes up that hasn't gone through the environmental process, it sometimes takes years. So if you could have your staff just sort of give me in writing what are the things you are doing to streamline that process, I would appreciate it.

Thank you.

Mr. OBERSTAR. We are doing that in the transportation bill. We made a good start on it in the SAFETEA legislation. Section 6001 of Title XXIII, U.S. Code has the language referring to project permit expediting. I have invited all the State DOTs to comment on that language, tell us what their experience has been in using it. Very few have actually used that authority. We need to step it up further. Environmental permitting is only one of—well, it is a big one, but it is one of many, many permits that have to be issued in the course of a highway or a transit or other projects. So my goal is, in the next transportation bill, in the Federal Highway Administration, to establish an office of project expediting to coordinate that initiative with all entities that have a permit to issue, whether it is Fish and Wildlife Service, National Park Service, the National Trust for Historic Preservation, the EPA. All of them have to be in the room at the same time, not the sequential process that drags things out over 20 years.

So I assure the gentleman that that issue is going to be addressed, and we welcome his input on it.

Mr. SHUSTER. And I appreciate that greatly. My question is specifically on the stimulus. We might be able to get some great ideas of what you have been able to do to generate it in the stimulus package that is going out so quickly.

Mr. OBERSTAR. Well, in the stimulus the public review process, as a requirement of law, had to be completed before they are eligible to get a project. So we are not going to learn much. We are going to learn from Section 6001 in Title XXIII, U.S. Code. I would invite the gentleman to take a look at it, come back to me with ideas about what you think we could do better.

Mr. SHUSTER. Thank you.

Mr. OBERSTAR. The gentleman from Illinois, Mr. Schock.

Mr. SCHOCK. Thank you, Mr. Chairman. Appreciate your holding this meeting and appreciate our two witnesses here today. I have a couple questions for our Secretary of Transportation, Mr. LaHood.

Thank you for being here. As was mentioned, I am doing my best to follow in your steps, but the shoes keep getting bigger. Two quick questions. You are probably familiar with the Mid-America Intermodal Regional Port, which is headquarters in Quincy, Illinois and was established 15 years ago as a tristate program between the States of Illinois, Missouri, and Iowa; and the goal of that regional port is to bring international business and trade using the inland waterways of our Country for those purposes.

The initial phase of the construction of that port can be completed in the next 18 to 24 months, and I know that in the stimulus bill there is about $1.5 billion in discretionary transportation funding which is to be awarded to State and local governments for projects that have a significant impact on the Nation or metropolitan area or region. I am wondering if you can speak to the qualities of projects that you are looking for and whether or not you think that port there in Quincy might be a candidate to receive such a grant.

Secretary LAHOOD. Well, we have submitted criteria to the White House and OMB for their review, and that criteria will be made available very soon. With $28 billion for highways and $8 billion for transit, $1 billion for airports and $8 billion for high speed rail and some of these other opportunities we have created, or that you all created in the bill, we believe the $1.5 billion should really be used to do things that we couldn't ordinarily do in our portion of economic stimulus, which would include, probably—I don't want to say specifically, but our thinking is that we should really be looking at ports. Ports are an economic engine for certain parts of the Country. So my advice is to have the folks in Quincy read very carefully our criteria. But I think ports around the Country are going to be well positioned to look at this money as an opportunity.

Mr. SCHOCK. Great. Thank you. And then the other question I had was there have been a number of comments from your Department, as well as the White House, about the importance of creating more livable communities, more sustainable communities, and I want to commend you and your Department and the Administration, as we look at spending a record amount of money on infrastructure, that we not just create new infrastructure, but in some cases smarter infrastructure, allowing people to be able to walk to work, bicycle to work, and cut down on some of the congestion.

I am wondering if there is money set aside in the current stimulus bill that was passed for such projects that communities can apply for, where they are doing the mixed use kind of buildings in urban centers. As you know, in our hometown in Peoria, they are trying to do that with a warehouse district. There are other communities around the Country that are doing similar things. Because if not in this stimulus bill, I would like to try and see that we have funding in our transportation bill for those sustainable programs.

Secretary LAHOOD. Livable communities is something that I have talked to the Chairman about. Portland, Oregon is the model for it and it is something that we are really going to work with the Chairman and this Committee in the next bill, and it is also something that we have met with the Secretary of HUD, the EPA administrator and others. We are going to work collaboratively to create a livable communities opportunity so that if somebody wants to bike to work, walk to work, run to work, and wants to get out of a two hour congestion and take light rail or transit, these are the kind of opportunities we want to create with livable communities.

But the direct answer to your question is there really is nothing in our portion of the stimulus to help us jump-start that opportunity, but I know, from talking to the Chairman and others on the Senate side, this will be a priority for our Department, from the Administration working with the Committee.

Mr. SCHOCK. Great. Thank you so much for your answers, and thank you, Mr. Chairman.

Secretary LAHOOD. Thank you.

Mr. OBERSTAR. I thank the gentleman for raising that issue. I see we have an ally as we go forward in the livable communities initiative. More specifically, the answer to your question is the State DOTs can use a portion of their enhancement funds, which are provided in the formulaic distribution of the recovery dollars, to undertake bicycle projects or bus/bike lanes, or other user-friendly initiatives. But every State is required under current law to have a State bicycling plan, and when that plan has been developed and the projects within the State bicycling plan are eligible under enhancements, under congestion mitigation, air quality improvement, they are eligible for funding under the Surface Transportation Program, under the STIP, under the TIP, and every other aspect. So it is up to each State DOT to designate a construction-ready project. If they haven't done it, I think the Secretary might want to know about that.

And, by the way, in the next transportation bill, we are going to have a further transformation of the office of the Federal Highway Administration, to have an office of livability in which we will coalesce safe routes to schools, bicycling initiatives, transit-oriented development, land use planning, safe streets, smart streets, all those to shine a spotlight on the livability issues, so that in the next iteration of transportation we will make it possible for people to go where they want to go, not just where the road leads them.

Mr. Diaz-Balart.

Mr. DIAZ-BALART. Not at this time, Mr. Chairman. Thank you very much.

Mr. OBERSTAR. Thank you.

Mr. Secretary, I understand, I have heard reports anecdotally from the States, California, for example, Will Kempton, who is the director of CalTrans, in our State of Minnesota, several others—I need not go into all the specifics—that there are projects are coming in substantially or significantly under final design, engineering cost estimates. Are you getting those reports and does that mean these dollars are going to stretch further than we anticipated?

Secretary LAHOOD. The dollars are going to stretch further, which will create more opportunities for more jobs. I have just sent a letter, about a week ago, to the governors, to every governor in every State, saying that if there is money that is not being spent because the project came under, it has to be spent on creating jobs to build infrastructure and cannot be used for any other purposes to try and fill a gap in a State budget; it has to be used for the purposes for which it was sent to the State.

Mr. OBERSTAR. You are very good at anticipating. All those years in Congress. Right on the ball. Because that was our next issue. They have to all remember that this is stimulus money. It is 100 percent federally funded. They can't substitute it for something else. Excellent.

In your next 30-day report, I expect you will have for us not only the direct job creation numbers, but also those in the supply line, in the supply chain. I have heard from the Association of Equipment Dealers that there is such an inventory on hand of equipment that, for contractors to carry out the projects that are on the book now with the stimulus funds, they don't need to buy new equipment. They have been out of work for so long, they have idle equipment on the property. So I expect that as this first $15 billion gets into the pipeline and we go into the second iteration of it, that there will be more of that stimulus as well, so I look forward to your further report.

Ms. Jackson, from the State of Minnesota, I met with Terry Coleman, who is the Deputy Administrator of the State Revolving Loan Fund. They have been able to leverage the $72 million into a $500 million program. Are you getting reports of other States that are similarly leveraging those dollars? Half of your SRF funds are grant, half is under the regular loan program. Are you seeing such ricochet effects?

Ms. JACKSON. We are indeed, Mr. Chairman, and your State is to be commended, as are many others who are trying to find the best way to put as much money on the street. As you know, there is a huge pent-up demand for clean water infrastructure projects, so many States are doing it not only because of the jobs, which is our first goal here, but because they have been waiting so long to be able to get their hands on money, especially money that doesn't require a match.

Mr. OBERSTAR. A final issue. I know that in the highway and bridge program, the Buy America Act has been in place since 1982, it is unquestioned, is unchallenged, and is being used, in fact, in Minnesota iron ore, Michigan iron ore, going into lower lake steel mills, and American steel is being used, but there was some issue raised by various States under the EPA program about the waiver process for pumps or other equipment that are not readily available or not made in the United States. It is a relatively small amount. I understand that you have issued guidance. I have heard from the Minnesota SRF organization; they feel the guidance is fully beneficial to them. Could you elaborate on this?

Ms. JACKSON. I am glad to hear that, first off, Mr. Chairman, and it was the result of hard work by staff. Buy America is new for the SRF program because most of that money moves out in grants to States, so that is something they are not used to dealing with. We worked with States, we worked with associations, the American Waterworks Association, others, to come up, I think, in fairly short order with guidance. It was issued yesterday. I am happy to hear, anecdotally, that it is being well received. It was a critical step in allowing States to move forward. Many times pumps and some of this equipment used in waterworks is only made on foreign soil, so we have to have an ability to give clear guidance on how that waiver process will work.

Mr. OBERSTAR. Well, the Deputy Director of the Minnesota SRF said, "These are items that States requested just last week. The sample documents will be helpful to us and our cities as we get the first Recovery Act projects under contract."

Ms. JACKSON. Thank you, Mr. Chairman. I think my staff will be gratified to know that their hard work is being well received.

Mr. OBERSTAR. Again, I said this program is not going to outsource jobs to Bangalore. The highway, the bridge, the transit projects, and the water and sewer projects that are being done, you don't lay the streets in Bangalore, you do them in America, your own front yard, our workers.

Thank you for the job you are doing. Very proud of your contribution. And there are going to be two million workers who will be grateful to you as well that you may never see, but they will have a job and their families will be appreciative. Thank you.

We now have votes underway, but let me call the next panel. Mr. Salt, Principal Deputy Assistant Secretary of the Army for Civil Works; Mr. Prouty, Acting Administrator of GSA; Mr. Stadtler, Chief Financial Officer for Amtrak; Mr. Alvord, Acting Deputy Assistant Secretary of Commerce for Economic Development.

Take your seats. We will recess for these votes. In fact, you don't have to take your seats; you are entitled to the restroom, if you need to do that. And we will be back within half an hour.

[Recess.]

Mr. OBERSTAR. The Committee will resume its sitting.

We now have panel two. We will begin with Mr. Salt. You all have been introduced individually before the vote. I apologize for the delay. I didn't know that a new Member was going to be sworn in and that he was going to make a speech. There was a time when we swore in new Members and that was it, and they sat down.

[Laughter.]

Mr. OBERSTAR. And paid attention. But, you know, Mr. Diaz-Balart, when we are sworn in, we don't get to make speeches, 435 of them. A new Member, though, they get to come to the microphone, make a long talk, introduce their family and everybody who helped them get to Congress and all the rest of it.

I am getting a little grump in my—I said to one of my colleagues, that is a very fine, nice speech. He is thanking everybody. But, meanwhile, I have 10 witnesses who are waiting for their turn to speak. So now it is your turn to speak.

TESTIMONY OF TERRENCE C. SALT, PRINCIPAL DEPUTY ASSISTANT SECRETARY OF THE ARMY, CIVIL WORKS, U.S. ARMY CORPS OF ENGINEERS; PAUL F. PROUTY, ACTING ADMINISTRATOR, GENERAL SERVICES ADMINISTRATION; DONALD A. STADTLER, JR., CHIEF FINANCIAL OFFICER, AMTRAK; AND DENNIS ALVORD, ACTING DEPUTY ASSISTANT SECRETARY OF COMMERCE FOR ECONOMIC DEVELOPMENT

Mr. SALT. Thank you, Mr. Chairman.

Mr. OBERSTAR. Tell us the good things you are doing to put people—this new Member said I want to work to create jobs. That is fine. That is what we are doing right here in this Committee. We are doing it.

Mr. SALT. Thank you, sir. Mr. Chairman, Congressman Diaz-Balart and other distinguished Members of the Committee, I am Terrence "Rock" Salt, the Principal Deputy Assistant Secretary of the Army for Civil Works. Thank you for the opportunity to testify before the Committee today to discuss the Army's implementation of the Civil Works appropriation within the American Recovery and Reinvestment Act of 2009.

Total Recovery Act funding for the Army Civil Works program is $4.6 billion. I am pleased to report that lists were posted yesterday on the Corps of Engineers website that show how Recovery Act funding for Civil Works will be allocated among programs, projects, and activities. Economists estimate that the Civil Works Recovery Act spending will create or maintain more than 57,000 direct construction industry jobs and an additional 64,000 indirect and induced jobs.

The Recovery Act provides funding to the Corps for the development and restoration of the Nation's water and related resources. There is also funding to support permitting activities for the protection of the Nation's regulated waters and wetlands, and for the cleanup of sites contaminated as a result of the Nation's early efforts to develop atomic weapons. Also, Congress mandated that work such as wastewater treatment and municipal and industrial water treatment and distribution be funded at no less than $200 million.

The Army's allocations follow the Recovery Act's general principle to manage and expend funds to achieve the Act's stated purposes, including commencing expenditures and activities to create jobs as quickly as possible, consistent with prudent management. Furthermore, the Civil Works projects were selected on merit-based principles consistent with the President's direction provided in his Executive Memorandum of March 20th, 2009, entitled "Ensuring Responsible Spending of Recovery Act Funds."

Specifically, the Civil Works allocations are to programs, projects, or activities that will be obligated and executed quickly; that result in high, immediate employment; that have little schedule risk; that will be executed by contractor or direct hire of temporary labor; and will complete a project phase, a project, or an element of a project that will provide a useful service that does not require additional funding.

Also, as stipulated in the Recovery Act, no funds will be used for any program, project, or activity that at the time of the obligation has not received Energy and Water Development funds. In other words, no new starts can receive Recovery Act funds.

Funding has been allocated to 178 construction projects, 892 operation and maintenance projects, 45 Mississippi River and Tributaries projects, 67 studies and designs in the Investigations account, and 9 projects in the Formerly Utilized Sites Remedial Action Program.

At $4.6 billion, the American Recovery and Reinvestment Act provides the resources for the Civil Works program to pursue investments that will yield good returns for the Nation now and into the future.

Mr. Chairman and Members of the Committee, I am very proud of the contributions that our Civil Works program is making to the Nation's economic recovery and to the long-term improvement of its infrastructure. Thank you again for this opportunity to testify on the implementation of the Recovery Act programs at the Army Corps of Engineers.

Mr. OBERSTAR. Thank you, Mr. Salt. That was a rather pro forma statement, frankly, but we will come back to that later.

Mr. Prouty.

Mr. PROUTY. Good afternoon, Mr. Chairman, Mr. Diaz-Balart, and Members of the Committee. Thank you for inviting me to appear before you today to discuss GSA's contribution to our Nation's economic recovery through the green modernization and construction of our buildings.

The funds Congress has provided us through the American Recovery and Reinvestment Act are a sound investment in several respects. First, the timely obligation of these recovery funds will stimulate job growth in the construction and real estate sectors. Second, the money will help us reduce energy consumption and improve the environmental performance of our inventory. Third, the funds, in large part, will be reinvested in existing infrastructure, which will help reduce our backlog of repair and alteration needs, thus increasing the assets' value, prolonging their useful life, and further conserving our Country's resources. Finally, these funds will be invested in government-owned assets for the long-term requirements of our Federal customers.

Today, I will describe what we have done to carry out the Public Building Service's portion of the Recovery Act. We have established a nimble organizational structure and identified leadership to manage program execution. We have developed an aggressive schedule for project delivery and we are establishing standard scopes of work to facilitate rapid project awards. We know this is not business as usual. We are moving forward quickly, but always with careful consideration of our procurement responsibilities and accountability to the American taxpayer.

In order to successfully implement our portion of the Recovery Act, GSA formed a nationally managed, regionally executed Program Management Office. At the national level, the PMO will be centralized in a small, cohesive PBS office, staffed with experts and supported by high-performing employees, as well as industry hires and appropriate contracted resources to ensure successful program implementation. It will directly report to the Commissioner's Office of the Public Building Service.

In addition to the Public Building Service's permanent leadership structure and organization, we have identified regional recovery executives in each of GSA's 11 regions. As part of the PMO, we have identified three zonal recovery executives to support regional execution. The zonal executives will monitor program delivery and be able to shift resources to projects or a particular region as needed. Finally, we have named Mr. Bill Guerin, who is here with me today, as the PMO executive to lead this effort.

GSA has moved quickly. On March 31st, we delivered a list of 254 projects to Congress. It includes projects in all 50 States, the District of Columbia, and two U.S. territories. These projects fall into three categories: the first, new Federal construction, where we will invest $1 billion in 17 projects; two, full and partial high-performance green building modernizations, where we will invest $3.2 billion in 43 projects; and, three, limited scope high performance green building projects, where we will invest $807 million in more than 194 projects. This totals over $5.5 billion.

The PMO will execute recovery activities on an aggressive schedule, using streamlined business processes and innovative approaches. It will also ensure that projects are delivered on time and on budget. The zonal recovery executives will monitor execution and serve as an early warning system for projects that are not meeting anticipated targets. We are ramping up our project activity and have awarded $92 million toward project work to date. This includes work on projects in New York City; Roanoke, Virginia; Billings, Montana; Bakersfield, California; Blaine, Washington; and Philadelphia, Pennsylvania. We currently have numerous solicitations on the street and expect to award at least another $100 million in recovery projects by early June.

GSA's goal is to obligated $1 billion by August 1st and an additional $1 billion by the end of the calendar year. We have set target dates for project awards in each quarter to ensure we obligated $5 billion by the end of fiscal year 2010.

Our project list was selected from an initial list of GSA pipeline projects that could be awarded within two years. The list we developed included detailed information on cost, schedule, energy benefits, and the impact of the repair and alterations backlog for each project. Our repair and alterations backlog was over $7 billion just for the minimum repairs. The dollar amount of projects we could have funded was much greater, nearly $30 billion.

We applied criteria to select those projects that would both put people back to work quickly and transform Federal buildings into high performance green buildings. The development of our project list relied on selection criteria that included incorporation of high performance features with an emphasis on energy conservation and renewable energy generation, an early construction start date, a high return on investment, and other factors, such as historic significance. Many of the projects in the new Federal construction and building modernization categories have previously received partial funding. These are projects which we can start construction quickly, while also identifying the ways that existing designs can be improved.

We have developed standard scopes of work and we are using regional and national contracts to support, record reporting and tracking, contract management, building tuneup and commissioning, lighting, and roofing. We are sharing these with other agencies engaged in recovery act. We are pursuing measures to convert our existing inventory and turn our newly constructed and green and modernized buildings into high performance green buildings. These range from single system improvements to integrated improvements in new and modernized buildings.

Single system improvements include features like replacing overhead lighting systems controlled by one switch with intelligent lighting systems that allow for daylight and occupant control; replacing leaking roofs with efficient roofs or roofs with photovoltaic membranes integrated in the roofing or planted roofs. Large integrated improvements include features like improving buildings' exterior with more efficient windows, better roof insulation, and more efficient lighting, resulting in less need for heating and cooling.

An example of the innovative features we will be incorporating into some of our projects on our Recovery Act list is the Edith Green-Wendell Wyatt Federal Building in Portland, Oregon. GSA will install a new high performance enclosure over the entire building, each facade designed to react to the way the side of the building faces, which will dramatically enhance energy performance and blast resistance. On the west facade, vegetative fins will provide shade, reducing the load on the new high efficiency heating, ventilation, and air conditioning system that will be installed. The east and south walls will have a double glass. The north is designed to let in maximum light. We expect the building to attain a LEED Gold rating.

Finally, pre-apprenticeship and apprenticeship programs will be an integral part of our Recovery Act projects. These programs will be established as contractual requirements in construction contracts for selected projects on our Recovery Act list. We are working with the Department of Labor, as required in the Recovery Act. The programs will be modeled after a successful GSA program in the National Capital Region, where at least 840 people involved in 15 projects have been trained and employed since the program's inception in 2002.

Today, I have described the unprecedented and exciting opportunity that lies before us to contribute to our Nation's economic recovery by investing in green technologies and reinvesting in our public buildings. Greening our buildings will be an ongoing process. We have the structure, the executive leadership, and much of the staffing in place to accomplish this very aggressive project delivery schedule. We look forward to working with you and Members of this Committee as we deliver this important work.

Joining me today are Tony Costa, the Acting Commissioner of the Public Buildings Service; Bill Guerin, the Recovery Executive; and Kevin Kampschroer, the Acting Director of the Office of Federal High Performance Green Buildings.

This concludes my prepared statement. I will be pleased to answer any questions that you or any other Members may have. Thank you.

Mr. OBERSTAR. Thank you, Mr. Prouty. We will have some questions.

Mr. Stadtler.

Mr. STADTLER. Good afternoon, Chairman Oberstar, Members of the Committee. My name is D.J. Stadtler and I am here today to testify in my capacity as Chief Financial Officer of Amtrak. In that role, I am the officer responsible for the disbursement of stimulus funding for Amtrak's procurement operations and for our compliance with both the provisions in this Act and the provisions of our grant agreement with FRA.

Our CEO, Mr. Boardman, regrets that he is unable to attend today. He is the midst of a long scheduled series of meetings with employees on the West Coast. He asked me personally to express his regrets, as well as appreciation for the support we have received from you, Mr. Chairman, your staff, and the entire Committee. This has been a remarkable and exciting year for Amtrak.

If there is one message that I want to deliver today, it is that Amtrak sees the stimulus bill not only as a responsibility to create jobs and stimulate the economy, and also to address our infrastructure needs that have, for years, been deferred, but we also see it as an opportunity for us to change the way we do business. You will hear me continually today use the words transparency and credibility. We are taking strong steps to become more transparent and more credible and more accountable with this Committee, our other congressional stakeholders, the Department of Transportation, the States, our vendors, and the passengers we serve. This holds true for our stimulus funding and also on moving forward into the future.

The $1.3 billion provided by stimulus allows us to undertake some very important projects. On the northeast corridor, for example, beginning this construction season, we will be replacing over 80,000 concrete ties. We will be replacing a 102-year-old Niantic bridge, and several other fixed bridges. Additionally, on Monday, we will be breaking ground at the restoration of the Wilmington Station. We also have had opportunity to make major improvements to our maintenance facilities across the system, including Delaware and Illinois and Indiana.

Off the northeast corridor, we have got investments that are funding significant improvements in stations focused on accessibility and ADA compliance. For example, in Chicago Union Station, we currently have switch heaters that are bowls of kerosene that stay lit all winter long. When there is a strong wind, that kerosene blows out and we manually have to have someone go and relight the fire so the switch can move. We will be able to address that through these funds.

On May 18th, we are breaking ground in Florida to renovate the Sanford Station. We are also returning over 100 pieces of equipment to service, long-distance cars, locomotives, and corridor cars.

As I discussed earlier, this is a major opportunity for Amtrak and we are focused on using it as a stepping stone to change the way we do business. We know we must be transparent, compliant, and effective in awarding and managing these projects. We are using all available means to get information on contract opportunities out to the public. For example, within 30 days of enactment, we had a complete list of all of our projects with detailed project summaries on our Web site for the public to view. As contracting opportunities become available, we post them online immediately and allow bids to come in. We even have a page on our Web site that highlights opportunities for small, disadvantaged, and veteran-owned businesses, and provides a list of frequently asked questions for those types of businesses to learn how they can bid and get contract work.

On that note, we are building relationships with a wide range of new vendors, not only for stimulus but, again, for our annual capital investment program. We are reaching out to potential contractors—minority-owned, disadvantaged business entities, women-owned businesses, and small businesses—both to be our prime contractors and also to be subcontractors. In April, we held numerous business forums, attended by top Amtrak officials, aimed at not only letting contractors know what kind of work we need, but also giving them an opportunity to network with each other. We want to build our reputation for fairness, credibility, and integrity, becoming closer to the Federal model of full and open competition. These forums drew over 300 vendors.

I would like to close by expressing again my appreciation for the support we have had from the Committee, from you, Mr. Chairman, from your staff, and from the Department of Transportation. We look forward to working with you in the coming months. I am happy to answer any questions you may have.

Mr. OBERSTAR. Thank you very much, Mr. Stadtler, although I must add a footnote to your comment. It is disappointing Mr. Boardman felt necessary to recuse himself from this hearing because of some perceived conflict. I didn't have time to take that up with other authorities, such as the Office of Management and

Budget or the White House, but your perfectly adequate presence, but he is the acting President of Amtrak, and he should have been here in person.

Mr. Alvord.

Mr. ALVORD. Thank you, Chairman, Ranking Member Diaz-Balart, and Members of the Committee. Thank you for this opportunity to testify on behalf of the Economic Development Administration. Since 1965, EDA has provided grants for planning or infrastructure to distressed communities aimed at creating jobs and generating private investment. EDA has worked tirelessly in both robust economic times and in times of economic decline. However, with the Nation facing economic conditions unseen since the Great Depression, EDA's assistance to local communities may be needed now more than ever.

On February 17th, 2009, President Obama signed into law the American Recovery and Reinvestment Act. The Act's primary purpose is to stimulate economic recovery by making investments that preserve and create jobs, spur technological advances, and improve infrastructure that will provide long-term economic benefits. In many ways, the Act is an extension of EDA's existing mission, which is to lead the Federal economic development agenda by promoting innovation and competitiveness, and prepare American regions for growth and success in the worldwide economy.

EDA has adapted our existing grant programs to meet the Act's goals and requirements and to comply with its intent. Of the $150 million provided to EDA in the Act, the Bureau intends to fund at least $135 million in public works grants to support brick and mortar infrastructure improvements. As we do in our regular programs, EDA will focus on projects with a potential to stimulate job creation, promote regional economic development, and encourage innovation and entrepreneurship, such as investments in science and technology parks, industrial parks, and business incubators.

EDA's longstanding policy and practice is that the selection, oversight, and administration of grant awards rests in its six regional offices. This regional system allows EDA's field-based staff, who are most familiar with the current economic conditions in their States, to advise the six regional directors on what projects to prioritize and award under the Act. Having staff on the ground who are living and working in many of the communities most severely impacted by the current crisis will help EDA make investments quickly, but not hastily, and help us to maintain the Bureau's reputation for superior customer service.

Since March, EDA's six regional offices have developed extensive pipelines of potential Recovery Act projects. Our goal is to fully obligate EDA's Recovery Act spending by September 30, 2009, a full year in advance of the funding expiration. Indications are that we are well on our way to achieving this goal. Most EDA regional office project pipelines meet or exceed anticipated allocations. One region has a pipeline more than double its anticipated available Recovery Act spending.

The prospective grant investments that have already had some review range in size from less than $200,000 to over $4 million, and include a strong mix of construction-ready infrastructure improvements, such as access roads, rail spurs, and port improvements, as well as cutting-edge investments in business incubators, research parks, and green buildings.

EDA's long history of aiding communities impacted by economic downturns, its record of success, and its strong customer service have allowed the Bureau to hit the ground running to implement the Recovery Act. To date, the Bureau has implemented all of its established milestones and is on track to complete all future milestones on or ahead of schedule. Within three weeks of the Act's passage, EDA published a Recovery Act funding synopsis, as well as a Federal funding opportunity notice. EDA continues to coordinate with the Department's budget office and officials at the Office of Management and Budget to ensure our agency program plan is implemented efficiently.

Prior to the Act's passage, EDA already had well established and highly effective application evaluation procedures, award processes, as well as reporting and reconciliation practices in place. To ensure that the Act's funding is properly managed, EDA is working closely with the Department's Recovery Act coordinator and other department bureaus funded under the Recovery Act to guarantee compliance of all the Act's specific requirements and OMB guidance. EDA has also offered assistance to other bureaus looking to set up new grant and infrastructure programs.

Additionally, EDA has established a Recovery Act task force consisting of representatives of EDA's regional offices and Office of Chief Counsel to focus on risk identification and mitigation across the administration of Recovery Act funds. We are also taking part in training that is being offered by the Department's Office of Inspector General to identify and avoid waste, fraud, and abuse.

Chairman Oberstar, thank you for your longstanding support for EDA and thank you, Ranking Member and the Members of the Committee, for your time today and for inviting me to give an overview on implementation of the Recovery Act at EDA. EDA is pleased to be a part of the important effort to bring about economic recovery. I look forward to answering any questions you may have and working with the Committee to ensure the success of the Act.

Mr. OBERSTAR. Thank you very much, Mr. Alvord. Yes, indeed, EDA has been a favorite government agency of mine. As some of you may know, I was on the staff of my predecessor when we crafted the Public Works and Economic Development Act of 1965. I have one of the green pens that Lyndon Johnson used to sign that bill into law and, actually, there was a photograph of the occasion with Lyndon Johnson handing me the pen.

In the next stroke, however, he grabbed the lapels of my suit, drew me up to his nose, and said, now, I want you to get busy with John Blatnik and Ed Muskie together and pass a clean water bill, hear? I heard him. He never missed a moment. He never missed a moment. And he got EDA off and running well.

But that moment was preceded by accelerated public works of 1963-64, where we made a first effort at stimulus and where there were lessons learned in the delivery and lessons learned at the local level of projects ready to get underway. And over time we had Local Public Works, LP-1 and LP-2 in the 1970s, and each one of those we learned lessons of how to allocate these funds. Best is to do it by formula, best is to do it make entities demonstrate that through all the phases—design, engineering, land acquisition, public hearing process, and ready to go to construction.

EDA has that delivery mechanism. Unfortunately, the amount that we had in our Committee bill when it passed the House was substantially more than came through conference.

Can you give us an idea of when you expect to see the regions obligate the funds and then award grants to economic development districts?

Mr. ALVORD. Yes, Mr. Chairman. I think EDA has made progress in the intervening period since the passage of the Act. Our regions have been working very hard to identify projects that have been through the initial stages of development and are ready to get started right away, and I anticipate that we will be starting to award grants as early as next week, and the pace will pick up throughout the course of the month.

Mr. OBERSTAR. What is the time lapse? We know pretty well from the previous panel, although there will be more detail given in subsequent hearings, but I know that there is first a release from OMB and obligation of the funds by the agencies, and then delegation to each State their formulaic distribution entitlement. Then, once State DOTs receive their funds, they notify the contractor community ahead of time, already, that we can anticipate this specific dollar amount, because that is our formula distribution. So the contractors were ready, the sand and gravel pit operators were ready, the ready mix producers were ready, and the IFBs went out and the bids came in and they were awarded. All that happened within a matter of two to three weeks; some even less than that time.

So what is your time frame that you anticipate working through the EDDs, economic development districts, for Fgetting projects under contract?

Mr. ALVORD. We are certainly trying to do everything that we can to incentivize the distribution of this funding to projects that are as far along in that development process as we possibly can. So we have essentially cherry-picked those investments from our pipeline that are in a very good position to get underway as quickly as possible. We are very close to being able to send out the allocation to our six regional offices so they will each know the funding amount that they have available. That funding will then go immediately to the projects that are ready to be awarded in their pipeline, and they will continue to develop additional projects beyond them.

Now, once the initial round of awards are made, which I fully anticipate will occur next week and throughout the month, then we do move into that bidding process, and there will be a few weeks delay as those bids are let and the projects get underway. But, again, most of these projects are projects that have been on the books; they have been studied and considered over a good amount of time, and we fully expect that we will be able to get many of them underway within a few weeks.

Mr. OBERSTAR. I want to understand and I want it on the record the mechanics of the process from the time the district is notified of their grant award, the time, then, how long does it take them to get the IFB out and a bid in, or bids in, and make the contract award?

Mr. ALVORD. That process is somewhat driven by the local capacity to absorb the funding. In most cases they have 30 days from the date that we make the award to accept the award and arrange for an initial communication with EDA on how they intend to proceed. After that point it can be a matter of——

Mr. OBERSTAR. Do they understand they don't need to take 30 days?

Mr. ALVORD. They do, and most do not. Most will turn that paperwork around within a week, or a week to two weeks.

Mr. OBERSTAR. Good. Well, make sure they understand that.

Mr. ALVORD. And we are certainly emphasizing, in everything we do with regards to the stimulus act, the need to move these projects timely and act with a sense of urgency in everything that we are doing. We are impressing this both internally, in our internal communications among staff, but also externally to our stakeholders, as well.

Mr. OBERSTAR. So when they receive the bids and award a contract, then is there a time period for any possible challenge to the award?

Mr. ALVORD. No, Chairman, we don't anticipate any challenges to these awards. We think they will move very quickly into the bidding phase, and once we receive those bids, we will be able to move into the construction phase as readily on the heels of that.

Mr. OBERSTAR. Within a couple of weeks?

Mr. ALVORD. A couple of weeks would be an aggressive schedule. It is certainly something that we could push for. I think certainly within a couple of months we could anticipate an engagement of activity.

Mr. OBERSTAR. See, your fate and that of the Secretary of Commerce and that of the President and Vice President and the sort of reputation of the Congress for being able to deliver depends on that portion, on that local initiative being able to award the contract, get the contractor to start work, put people on the job site. They have to understand there is no time for fiddling and diddling.

Mr. ALVORD. Absolutely. And we will do everything we can to impress upon them the need to act expeditiously.

Mr. OBERSTAR. Mr. Salt?

Mr. SALT. Yes, sir.

Mr. OBERSTAR. Why did it take so long for the Corps of Engineers, for your Department, to get these funds approved through the Office of Management and Budget? What was causing the delay?

Mr. SALT. Sir, I think, as you have pointed out, the statute that directed us to do projects that would very quickly create jobs also had language about long-term economic and environmental benefits. Subsequently, the President put out guidance that they be merit-based. And as we worked through that list, I think—I am new here, and I was surprised that it took as long as it did, but as we worked through those issues, it took us until yesterday to be able to get the list out. All I can say is, on some of our projects there were policy issues that caused us to reexamine our——

Mr. OBERSTAR. Well, I understand the issue about new starts. That was a matter that was raised in the legislative process, not to do new starts; and I vigorously objected to that because that included projects that had gone through the district, the division engineer that had a chief's report six, seven years ago, and we had moved it through our Committee.

Some of those we moved through the House in two Congresses; we moved the WRDA bill through the House. Never got through the Senate. We never went to conference on any of it. They aren't new starts, they just are projects that have been delayed for seven years. All right, that is not your problem, it is one that we had internally up here, and on a bipartisan basis we were very upset about that distinction.

But apart from the new start issue, I just don't understand what was the delay at OMB in allocating those funds. Were they trying to make decisions about what are short-term or long-term or better or less good investments?

Mr. SALT. No, sir. The policy finally settled on was that we would use longstanding Executive Branch policy, which is not budget policy. We did not apply our budget criteria, we just applied policy in terms of which projects met the merit-based standards that the President directed us to follow. So there was some reshuffling of the list as we sorted through that, and I am the wrong person to ask in terms of the——

Mr. OBERSTAR. I guess it is Mr. Orszag that we have to ask. But merit-based? All of these had chief's reports. All of these have been through the process. That is merit enough.

Mr. SALT. I agree, sir, they are all good projects.

Mr. OBERSTAR. All right. Well, I assume I have to raise this question because the Great Lakes States and the port authorities have raised it. A second lock at Sault Ste. Marie was authorized in the WRDA bill of 2007. The President vetoed the bill; Congress overrode that veto. That WRDA bill included restoring the Everglades, building levees in New Orleans, Mississippi, East Texas, the Alabama Gulf area, Mississippi Gulf area; locks on the Mississippi River to expedite navigation, move our agricultural products to market; 500 to 600 foot locks be extended 1,200 feet.

Not a one of those is included in this stimulus. Nothing. Not a start. The Soo Lock for the eight Great Lake States to move our iron ore to lower lake steel mills, coal from the Powder River Basin to lower lake powerplants, limestone and aggregate and sand and gravel upbound and downbound, and agricultural export commodities that often have to delay because we don't have enough lock capacity.

Why wasn't the Soo Lock included in this?

Mr. SALT. Essentially, sir, it is a good project, as you mentioned, but it didn't compete as well as the other projects that met the timeline windows.

Mr. OBERSTAR. Well, I don't know who made that decision about it doesn't compete as well. They are going to have to answer to me. I am not happy with that. I don't know who is making the judgment about competition.

I will delay here. I will withhold other questions. I want to get Mr. Diaz-Balart.

Mr. DIAZ-BALART. Thank you very much, Mr. Chairman. Mr. Chairman, before I address the panel, I want to thank you once again. I have told you this in private and I have said it in public. I think these hearings that you are doing are probably one of the most important hearings we are doing. We have all seen what can happen—the TARP, I think, being the worst example—when Congress sometimes passes legislation without enough oversight, and then we see the horror stories.

I was concerned and I had this conversation with you and I, frankly, felt a lot better after speaking to you, that when Congress passed the stimulus package, that there was not a lot of thought into where the money was going, et cetera. One of the things that you have been doing, and you have been aggressive in doing, is making sure that there is oversight. Some would say—not your doing, sir. Unfortunately, you have been forced to kind of deal with, what is it, the cart before the horse.

However, I want to thank you again, because I think, again, your insistence on making sure that Congress has oversight is crucial, crucial. So once again, sir, I want to thank you. I want to thank you for that, for your leadership there, as always. This is a Committee that I am very proud to sit on, among the reasons is because you consistently show that you are looking for the interests of the United States of America above anything else, and that is crucial.

I also want to welcome a friend of mine who is here today. I have worked with Mr. Salt on a million issues for longer than we care to admit, I guess.

Mr. Chairman, those of us who have dealt with him, I think you are going to find him to be refreshing. He is a straight shooter. He has a wealth of experience.

It is good to have you there, my friend.

Mr. SALT. Thank you, sir.

Mr. DIAZ-BALART. As always, you have your work cut out for you, but you are ready. You have been dealing with all these controversial issues for many, many years. So it is really good to have you there. There could be no better person for that job and I am thrilled that you are there.

Mr. SALT. Thank you, sir.

Mr. DIAZ-BALART. Very briefly, Mr. Prouty, you said a little while ago you were given some criteria: creating jobs and also obviously making sure that we also deal with trying to improve making sure we can get green buildings, etcetera. Some might say those are kind of conflicting. Do you have any idea how many jobs will be created by the projects in the GSA's performance green buildings? Are they going to be sustainable jobs? And how is GSA counting the job creation of the green jobs?

Mr. PROUTY. As you recall, last time we were here, we used a number of 28,500 per $1 billion, which is a number we are still using. But the good news is, in each one of these contracts, they have got to count the jobs and they have to report the jobs, and it has got to be on Recovery.gov. So we think they are real jobs. We know that we are just going to count the front-line jobs. Obviously, there are a lot more beneath that, but maybe not in the next 30 days, but soon thereafter, we are going to start giving you real numbers.

Mr. DIAZ-BALART. Great. Great. So you will be on top of that and you will give us the information as you——

Mr. PROUTY. That is why we are doing this program.

Mr. DIAZ-BALART. Good. Appreciate that. Now, the Act also requires that no less than $4.5 billion be available for measures necessary to convert GSA facilities to high performance green buildings, which is a very high standard, as we spoke last time. Of the projects listed in the GSA spending plan, how many of them do you expect will actually meet this very high standard following the investment of those funds?

Mr. PROUTY. When you talk about the high standard, obviously, all of them have different levels of components of green components, energy efficient components, but all of them will meet the criteria. That is what we are doing with the $4.5 billion, is creating green facilities and green jobs. So they are all going to meet it.

Mr. DIAZ-BALART. Really? I would like to see that. That is great. That would be good.

Obviously, GSA is receiving, what, $5.5 billion?

Mr. PROUTY. Right.

Mr. DIAZ-BALART. Which is quite a substantial increase. My understanding is it is tripling your workload, which is, again, quite a significant jump. So how can GSA ensure that these projects are overseen in management appropriately so that GSA will not have to come before Congress later for additional funds because of cost overruns or whatever?

Mr. PROUTY. I think there are two phases there. One, we talked about the program management office. We set up a unique organization with skilled people to make sure that they look at this program. But, obviously, as we talked last time as well, we are going to have to recruit new people. Most of them are temporary jobs; some of them are going to be retirees who come back, some are going to be people that we hire temporarily, some may be permanent jobs. But obviously we are going to have to bring in more people to do this work. It is a massive amount of work.

Having said that, we believe that we are going to be able to do it. We have got all these projects scoped. They are scheduled, they are estimated, and we are going to be back here every 30 days to report that we are meeting it.

Mr. DIAZ-BALART. Great.

And again, Mr. Chairman, I repeat what I said at the beginning, which is why these hearings are so important, because it is a substantial amount of money that has been put out there, a lot of times with not a lot of guidance; other times with some guidance that may even be conflicting. But, again, I want to thank you, sir, for your insistence and your aggressiveness in oversight, which is essentially.

And, again, I end with welcoming my good friend, Rock Salt, who is a Floridian, so things will be fine.

Mr. OBERSTAR. I appreciate your very generous words and recognizing the purpose of these hearings, and I made that commitment at the outset. Whatever else is in the Recovery Act that is beyond our Committee jurisdiction, we can't control, but this we can, and we are going to, every 30 days for the first 90 days, have this report, and every 60 days thereafter, and oftener if needed. We want to see what is working and what is not, and it has to be subjected to the light of day.

And this is also setting the standard for the next surface transportation authorization, where there is going to be accountability for the States and the MPOs and the transit agencies on performance, and we are going to shift to a performance-based program, so we are going to have them report on performance, and that is our responsibility.

Let me come back, before I go to Mr. Lipinski.

Mr. Salt, you got such a warm endorsement and high praise. Mr. Diaz-Balart doesn't just throw those kind words around lightly, so I want you to go back to whomever you are working with and tell them whatever criteria they used, they are wrong. In the legislation, the Water Resources Development Act of 2007, which the president vetoed and which the Congress overrode, and in the history of the Congress there are 1,174 vetoes. Only 106 have been overridden. Our override of that veto was 107.

Mr. Mica, by the way, led on the Republican side and Ms. Johnson on our side, because I was in the hospital having my neck operated on. And I think everybody on this Committee voted for the override, because it was a good thing, because that package was good. That was six years worth of work that we all agreed upon. And in the language in that bill it says specifically the Secretary is directed to carry out the Soo Locks project as expeditiously as practicable, without regard to normal policy considerations.

In the fall and spring shipping seasons, when it is desperately needed to have a second lock because of icing, and the coal has to get to the lower lake powerplants, we need an additional lock, and we directed this language. Thirty-four million people depend on it. Forty million tons of shipping go through the Soo Lock in those cold weather months. I want you to take that message back and I want to know who else is involved in this faulty reasoning, and we are going to fix that.

Now, Mr. Lipinski.

Mr. LIPINSKI. Thank you, Mr. Chairman. I want to commend you on holding this oversight hearing. It is not always the most sexy hearing to conduct, but probably, in many cases, the most important hearings for us to conduct.

There is not a lot that I can add to what the Chairman was just speaking about, specifically about that project on the lock, which certainly everything suggests that it should have received the funding here. I was concerned about the fact that the Chicago district, which isn't just Chicago, but covers northeastern Illinois, over 8 million people, only received $28.125 million for projects.

I know there are lot of projects in the area right in my district that certainly are shovel ready, so I look forward, Mr. Salt, to hearing more. I know that you have gone into this already with Chairman Oberstar, but hearing more, if there is anything you want to add now, but also in the future, about the methodology that the Army Corps used for project selection, because it was just very surprising to me the Chicago district would only be chosen for that much out of the $4.6 billion. I don't know if there is anything you want to add now or just move on to the next question.

Mr. SALT. Well, the quick answer is, for O&M projects, we had no way to rank them, so we essentially listed them in the order that they were ready to go. For our construction projects, we prioritized life and safety projects; we gave a high priority to environmental projects with a high environmental return; and then we took all the projects that were in the window and we ranked them by their economic benefits, and that is the list we end up with. Now, that is the short answer for how we did it.

Mr. LIPINSKI. Well, maybe we can follow up after this, in the future, on some of those projects that it would seem to me I believe would have fit into that. But we can explore that later on.

Mr. SALT. Yes, sir.

Mr. LIPINSKI. Mr. Prouty, I wanted to ask a question about a provision in the Energy Independence and Security Act of 2007, which we passed back in December of 2007. There is a provision in there, Section 323, that began as the introduction of the Bright Energy Savings Act, which I introduced. It was then incorporated into this Committee's outstanding contribution to that comprehensive bill.

Now, this provision requires that the GSA, whenever a new bulb was being put in, is being installed, a new lightbulb, that it be an energy efficient lightbulb. This was supposed to be in effect one year from the date of enactment of that bill, which would have been December 17th of 2008. So I just wanted to follow up. I am first interested in the progress that GSA has made towards implementing these requirements. Basically, can you say how many light bulbs have been changed to energy efficient light bulbs?

Mr. PROUTY. I can't say by light bulb, but I can say that we have modified our contracts to make sure that any that they change are more efficient lights. The facility standards have been changed. We think we are getting the return on that investment and we know the payback that involves the fixtures is five years. Also, we have over 100 lighting retrofit projects on the recovery list as well.

Mr. LIPINSKI. Okay, so to what extent is the Recovery Act helping you to accelerate these upgrades?

Mr. PROUTY. I can't tell you specifically, but there are a lot of lighting projects, and we are making great headway. We think because of all that we are doing in lighting, that we are saving over $1.4 million a year, so I think it is significant.

Mr. LIPINSKI. Okay, so you are saying that $1.4 million a year you believe that you are saving?

Mr. PROUTY. That is our estimate, yes.

Mr. LIPINSKI. Okay. So has that already begun or when will that savings——

Mr. PROUTY. It has begun. It is changing as we have changed our facility plans, and it very well could increase depending on the opportunity for savings with the different fixtures and bulbs that we are using. But it is a very aggressive plan.

Mr. LIPINSKI. It would seem, from what I was able to learn from the GSA, was an estimate of about 3 million lightbulbs that would be changed from the incandescent bulbs, where there were incandescent bulbs already put in CFLs or other energy efficient lightbulbs. There are estimates of how much changing each lightbulb would save, anywhere from $35, $40, up to $72 per lightbulb, so I am hopeful that the savings will be even greater than that, and I was just wondering if you have any ideas about going forward, if you expect greater savings than $1.4 million a year.

Mr. PROUTY. I am not going to turn to an expert. Just a second.

Kevin Kampschroer is our green guy. He said the $1.4 million is changing lightbulbs. We think that 30 percent of the lighting energy saved from retrofits, so, yes, the numbers are going to be significantly greater, and that will be one of the many things that we will be reporting as we monitor this program.

Mr. LIPINSKI. Okay, so you will be monitoring that, so I would appreciate being kept up to date on that.

Mr. PROUTY. We will do it. Thank you.

Mr. LIPINSKI. Thank you.

Mr. OBERSTAR. The gentleman from Arkansas, Mr. Boozman.

Mr. BOOZMAN. Thank you, Mr. Chairman. I think that, listening to your discussion, Mr. Oberstar, and the others, I think sometimes some of these things sound a little self-serving, and yet you get so caught up in these projects and you are so aware of your district and things, and I think we really can be a good sounding voice.

We have a situation with the Arkansas River, the McClellan-Kerr Waterway, have gotten money in the past through operations and maintenance to increase the depth of the channel, and really just for a few million dollars we would essentially have that whole thing done. We have a tremendous problem with capacity. We have got overcapacity on our inland waterways and, yet, you have to do these little things so that you can have more capacity, in a sense, you can float the barge 40 percent down more and haul a lot more product.

You run into kind of the Catch-22 situation in this in the sense that money is being spent, but it is has been through operations and maintenance, so it is considered a new start to finish it out. So I think those are things that we just have to look at or just things that I think we can help you with.

One of the questions that I would like to ask is, with us putting so many contracts on the street at the same time, are we concerned about inflation? Have we kind of factored in that a little bit?

Mr. SALT. Sir, the good news is that, as part of our process—and I didn't mention this—we capped our projects at $50 million so that we could have our projects spread out over the whole country so there isn't a concentration in any one place. Notwithstanding that, this is an increased contract load, so we are planning to provide temporary contracting specialists to allow us to get the contracts out and to quickly process the work that we have been discussing.

I think, as we heard on the first panel, generally there is a good bidding climate, so that is going to cause at least some of the agencies to receive bids lower than their estimates. My college economics tells me that as the demand for those services goes up, that there will be a cost that goes with that, but right now we believe because it is spread out, because we have smaller projects, that will be good for small businesses; we believe it will provide the stimulative job creation effects that the law expects.

Mr. BOOZMAN. Good. No, that makes a lot of sense. The second part of my question was going to be would we see more competitive contracts because of the downturn, but you answered that.

I love your name, Rock Salt.

Mr. SALT. Thank you, sir.

Mr. BOOZMAN. That is great.

Mr. SALT. My dad is almost 90, and he told me the other day that, you know, Rock, that name worked out pretty good for you, and that is true.

[Laughter.]

Mr. BOOZMAN. Very good.

I yield back on that, Mr. Chairman.

Mr. OBERSTAR. Thank you. He comes very highly recommended as a rock by Mr. Diaz-Balart in his work on the Everglades, and that is nice to hear.

Now the Chair of the Transportation Public Buildings Grounds, Economic Development, and a whole host of other things, the gentlewoman from the District, Ms. Norton.

Ms. NORTON. Thank you very much, Mr. Chairman. But above all, thank you for the way in which you are tracking these funds and making good on your promise that this money had to be used or lost.

Mr. Chairman, could I just ask, as a point of personal privilege, in the name of climate change and energy conservation, that the staff turn down this air conditioning? I think even for men in long-sleeved shirts and suits, surely we are not setting the proper example. I am freezing up here. I keep going back in there so I can get a little warm and come back out here.

Mr. OBERSTAR. I don't know that we can control our particular room, but I recall for the gentlewoman, in 1977, when we had energy issues on the House Floor and then the Senate took the same measure up, and it was Senator Jennings Randolph who, with a thermometer in hand, said, on the floor of the United States Senate, look at this thermometer; it is 68 degrees in this chamber. We could save money by raising the temperature and lowering our energy cost.

And the next day they came back and Jennings Randolph pulled out his thermometer; it was 72 degrees. Very comfortable, he said. And a reporter asked the building superintendent, the manager of the power plant, how did you do that? He said, well, we can't control it, we just opened the vents and let in the outside air.

[Laughter.]

Ms. NORTON. Whatever it takes, Mr. Chairman. I notice that they cool it out here where the Members are, but back there where the staff is, it is comfortable. I am not sure what that means.

I do agree with you, Mr. Chairman, regarding how we must use the stimulus exercise, shall we call it. I regard it as a dress rehearsal for this huge—we hope huge—reauthorization on which the Committee is now working, and much that we have learned here, having to go fast, having to monitor more, the Chairman has indicated is going to be regular order.

Mr. Prouty, I don't know if you heard my discussion on training. This Committee did insist upon some funds; the appropriators were a whole lot more stingy than we thought. You have only $3 million; transportation had $20 million. I intend to make it clear that such funds in the future are mandated and that States can't just decide to use all the money for the existing workforce and not train new people.

Have you made any progress yet in figuring out how to use such a small amount of money in training, given how many places they could conceivably be put and obviously can't be put because of the amount involved?

Mr. PROUTY. We really haven't made a great deal of progress. We have talked about what that money can be used for. It can be used for recruiting and some classroom training for basic skills, mass skills, pre-apprentice work and program management; and we are sitting that together with——

Ms. NORTON. Some of those words don't sit well, like program management. It seems to me that this money has to be used, in the GSA section it made it clear on-the-job training. Pre-apprentice programs of one kind or the other, it is very difficult to do.

I suggested to the Transportation Secretary that given how small the amounts were, even his amount, given the amount of his total package and our tiny amount, only $3 million, since we are both in the construction business, that we partner so that we don't go into the same jurisdictions, pile on, as it were, some places. Since we don't have enough money to give the 50 States, territories and the District of Columbia, could I ask that your staff sit down with my staff to begin to talk about the use of this money, which is already rationed in its amount, and therefore puts very special burden to be used wisely on GSA?

Mr. PROUTY. We will do that.

Ms. NORTON. Thank you.

Could I ask you, Mr. Prouty, how many contracts GSA has awarded thus far and how many are in the pipeline?

Mr. PROUTY. We have awarded six projects for $92 million. That is six out of roughly 250. So, after one month, we are moving along, but we have got plenty to do.

Ms. NORTON. How many are in the pipeline, Mr. Prouty?

Mr. PROUTY. When you say in the pipeline, we expect——

Ms. NORTON. I guess they are all in the pipeline somewhere.

Mr. PROUTY. Yes, they are. I don't know the exact number of projects, but we expect another $100 million to be awarded before June, and then we are working towards the billion goal. So I am not sure, I don't have the specifics.

Ms. NORTON. Well, let's discuss that $1 billion. The current goal, as you say in your testimony, is $1 billion by August 1st and $1 billion by the end of the calendar year. So you see, with a little rough math here, 4.5, that is $2 billion by the end of the calendar year. That leaves $2.5 billion.

In your testimony, you indicate how much money will be used for various categories. The only way to understand what appears to be pretty slow going, since all the money, of course, has to be obligated by 2010, even the DHS money, and we have not even broken ground yet, the only way to understand how you are doing this, since you have only accounted for $2 billion in your testimony, is to look further in your testimony and see how the projects are broken down. There is a construction category, there is a modernization category, there is a green buildings category.

Now, you are breaking those down. No time lines are associated, at least in your testimony, with those, and you also say in your testimony—I am looking at page 2—that you lament the fact that there was a backlog of over $7 billion and you got $5.5 billion. We went for the whole enchilada. One wonders if you could have handled the whole enchilada. And you say, on page 3 of your testimony, that many of the new Federal construction and building modernization categories have previously received partial funding.

In light of that circumstance and of only $2 billion that I can account for by the end of this calendar year, and the need to get some jobs out there which is the whole point of this stimulus package, I must ask you to account for the other $2.5 billion.

Mr. PROUTY. As you know, since we submitted the list to this Committee, those 250 projects represent the roughly $5 billion. So all of those projects are on a list. They are all being scoped and designed. They all will have schedules.

Ms. NORTON. Well, see, now wait a minute. We were told there was a backlog. Now, we can understand there may be some design work going on on projects like the border projects, but after all it was months ago that we even authorized those. So I hope there is not a lot of design work, sir, going on here. Then we really are at the beginning.

Mr. PROUTY. There is some design and some review of design. But there is a lot of that work that can be pushed out. When we were going through these projects in dealing with the regions as they are rolling them out, we will get better information as we meet 30 days from now.

Ms. NORTON. Yes, we were very pleased with your list of projects, with the range of the projects. We also know that GSA was very underfunded over the past several years. You have met with our staff and, very frankly, we assumed that there would be more than half of these funds out by the end of this calendar year.

It does seem to me that you are going to be in a terrible speed up because in 2010, the game is over. The point is to get it out and to get to this so-called backlog which everybody said was shovel-ready. Remember those famous words? So I am not sure I see either enough staff, enough consultants, or enough term-hired staff. What is necessary to get more of this work out on the streets so we put more people to work?

Mr. PROUTY. We are recruiting so some of it has to do with staff.

Ms. NORTON. Well, I am telling you there are a lot of folks out here on the street, Mr. Prouty. I can't believe recruiting has been a problem. How long does it take to process a person for a term position to come on and get the work done?

Mr. PROUTY. Well, it depends on the authority. I am not really sure exactly what the time is. But some of those authorities allow us to bring back retirees, which is just a matter of identifying who they are. We are in the process of doing that.

Ms. NORTON. Would you get back to us within two weeks, 14 days? We would like to know how many retirees are being brought back, how many term employees have been hired, and how many are contemplating to be hired.

I would like you to account for the other $2.5 billion. You got $2 billion that you are going to get out on the street by the end of this year. That leaves $2.5 billion.

For example, how in the world are you going to use the stimulus funds that must be spent on DHS in Ward 8 of this city? That money has got to be spent or else I am not going to be able to get any more money right away for DHS. Yet you have not broken ground yet. It is $4 billion just for this one project. Are you going to be able to spend $4 billion for DHS? Or is it 2011? Is it 2010 or 2011?

Mr. PROUTY. It is 2011 so it is in the second wave.

Ms. NORTON. You all need to speed up on this wave. This puts you under real, real pressure. You have been working, GSA has been working as fast as it could. It got its master plan approved.

What we did was to go to the Senate, frankly, and indicate that this was a classic FDR project. The entire Constitution Avenue and Independence Avenue got built during the 1930s as you go and look down on the cornerstones. It is because FDR was doing precisely what this President is doing, making jobs. He built the entire Federal presence downtown.

This is essentially the kind of pressure you are under on DHS. For me, that becomes a personal matter because I am the one that has had to beat everybody about the head and shoulders to get what money we have gotten there out. So if it looks like we have not obligated the $450 million by the end of the period, there goes the appropriation. I will not be able to get another thin dime out of the appropriators. So I am very, very motivated on that and I can only ask you to be motivated.

I want to see the timeline within two weeks for spending the $4.5 billion dollars for Saint Elizabeth's. I want to know how you are, given what doesn't look like a very fast pace, how are you going to handle swing space. There are some full building modernizations going on where you are going to have to move people out—get the work done—into some swing spaces.

Do you have the swing space? Will you be using any advanced acquisition program for swing space? How are you going to handle that one problem which accompanies what you are going to be able to do?

Mr. PROUTY. We will need swing space.

Mr. OBERSTAR. You will have to give your answer and then I have to go next to Mr. Buchanan. We will have another round of questions if the gentlewoman needs it. But we need to move on so make your response. There is a lot that you are going to have to answer for.

Mr. PROUTY. We do need swing space. We have identified what it is. We started the projects and we will use the advance program in order to do that. We are confident that we are going to be able to get the swing space that we need.

Ms. NORTON. Thank you, Mr. Chairman.

Mr. OBERSTAR. We will follow up on this.

Mr. Buchanan?

Mr. BUCHANAN. Thank you, Mr. Chairman. Thank you again for all you are doing and your leadership.

Mr. Salt, this relates to Florida stimulus and jobs. It pertains to southwest Florida, Port Manatee. It is a major economic engine for our region. It is the closest deep water port in the U.S. to the Panama Canal.

We have got a lot of room for expansion but yet we have been chronically delayed. I think it going on seven to ten years in approving a GRR for dredging at the Port that would allow Manatee to take advantage of a larger ship traffic.

This project will create a lot of jobs in our area. They built a berth based on good faith, costing the $10 million the Port spent I don't know how many years ago. It was quite a few years ago. We had a good faith commitment back then to the Corps.

I just didn't know and would like to get your thoughts on where we are at and what is going on. Could you give me your insight on that?

Mr. SALT. First I would say from a previous life, the Port was one of my favorites. I don't know if I am allowed to say that.

Mr. BUCHANAN. I appreciate it.

Mr. SALT. We met with the Port Authority 2nd, the Port officials in the last couple of weeks to talk about the issues that you have raised. What I will tell you is we are working the issues. There are questions about the adequacy of the disposal site, with the political and public opposition to Gulf disposal, ocean disposal.

As we work through the analysis of all of the issues, I agree it has taken too long. We had a good meeting with the Port officials. The last I heard, we were working on a satisfactory arrangement that would allow the Port to proceed with the State funds that they have. But, I will specifically get back on that because I haven't been back briefed on the specifics of that since our meeting.

Mr. BUCHANAN. Yes. If you would look at that berth, there are hundreds of millions of dollars, I think, that they could be generating in revenue for a lot of years. We built that but yet we have got this technicality. It is more than that, obviously, but it has just gone on for a long time. It is keeping us from a lot of jobs and opportunities.

Assistant Secretary Woodley, I met with him I think a couple of years ago. It sounded like we had it down and it was going to be done. But here we are sitting two years later again. So I would appreciate for you to get back with me. Let us get a timeframe and figure out a way to get this done. We have a lot of opportunity for expansion. We think it could be a mega-port. We have got the area there where we can expand and it would create a lot of jobs.

I know this is about stimulus and job creation. So I am very interested not just in the Country getting these jobs, getting these projects out there, but this is something that has been sitting there forever. We have got to figure out a way to push through this to get this resolved. I appreciate you getting back to me.

Mr. SALT. I agree, sir.

Mr. BUCHANAN. Thank you.

Mr. OBERSTAR. I thank the gentleman for those observations. We will expect that information, Mr. Salt.

Now, I have here a list of the operations and maintenance projects that by sort of a rough count—it is a printout we just received last night or this morning—there are 892 O&M projects, 178 construction projects, 45 Mississippi River and tributaries projects, 67 investigations, and 9 formerly utilized remedial action projects. This gives a total of 1,191. Is that the universe of projects that the Corps is going to be undertaking?

Mr. SALT. That is the list that we will be using to send the funds out on Friday. I think as funds are available, we will continue to make sure we expend all the funds that Congress has provided, so that we can meet the purposes of the Bill.

Mr. OBERSTAR. I will not pretend to have read every one of these because we didn't really have the time in which to do that. But just a cursory review indicates that there was some back and forth between the Corps and OMB. Although, we have already discussed it and I don't want to beat to death the New Starts issue. That is not your problem. You are new on the scene. That is an OMB problem and I have a problem with them. But I don't see any consistent pattern of criteria by which these decisions were made.

So I would like you to submit to the Committee your list of criteria by which the Corps selected the projects for inclusion in its Recovery Act. We insisted on transparency, accountability, and openness. This is part of transparency. If one of those factors was something, I have heard that the project be budgetable, whatever in heaven's name that means, by OMB, what criteria did the Office of Management and Budget direct the Corps to use? That is a very specific question. If the factor is that it be budgetable, this is arcane. In 43 years, I have not heard that.

Mr. SALT. Sir, I would say categorically, that was not a criteria. That was not a criteria imposed upon or even suggested to us by OMB at least at the levels of discussions that I was having with OMB officials. That was not a criteria that we used.

Mr. OBERSTAR. Well, whatever it was, I have heard this and I have no idea what it means. I take your word but I want the list of criteria.

Mr. SALT. Yes, sir. I believe one version of that list will soon be posted on the web that you mentioned for the transparency. But we certainly will provide that information to you.

Mr. OBERSTAR. Send it by email; we'll get it fast.

Mr. Stadtler, I had understood very early on we asked Amtrak for a list of projects. We went through this at quite some length about what amount of investment you could use within the timeframe that we anticipated. We got a list and we had $5 billion worth. Unfortunately, that got cut in the conference to the dollar amount that we are now talking about.

But one of those was the 102 year old Niantic River Bridge. Another one in Pennsylvania, a frequency converter. It was not a bridge; they call it the 80 year old Lamokin Frequency Converter. Are those still on your project list?

Mr. STADTLER. Yes, sir. They are both on the list. We expect them both to be awarded this summer. I believe the Niantic Bridge is either late June or July on the schedule. I will have to get back on the converter.

Mr. OBERSTAR. What is the converter? What does it do?

Mr. STADTLER. What it does is give us backup power. It deals with the power.

Mr. OBERSTAR. It is an 80 year old device and needs to be upgraded?

Mr. STADTLER. That is correct.

Mr. OBERSTAR. That is characteristic of much of the infrastructure that Amtrak has to deal with, isn't it?

Mr. STADTLER. That is absolutely correct, sir.

Mr. OBERSTAR. Yes. You describe a dispersment program that will bring in regional project managers to deal with "more difficult and complex projects." What do you mean by more difficult and complex projects?

Mr. STADTLER. What those folks are going to do is they will basically be an extension——

Mr. OBERSTAR. First of all, what is a more difficult and complex project?

Mr. STADTLER. For example, a bridge would be a more complex project. Some of the things that, easy is not the right word, but that we are better equipped to do more rapidly are things like the vehicle overhaul. These are things that we have off the shelf, that we have been ready to do but have just been deferring because of funding reasons. Some of the new items that we are doing, like some of the bridges, that we had just not been ready to do mean we need more expertise.

We were concerned that we are all local here. We felt that it would be a good idea to have these regional program managers that we could rely on to have that expertise right there where the projects are taking place. They would, again, serve as kind of an extension of our procurement folks to get the projects moving more rapidly. There are many things that we have deferred, sir, if I may, that we were concerned about getting done by February 2011. We think having this extra staff will help us meet that deadline.

Mr. OBERSTAR. You will submit a list of additional personnel you will require to do this work?

Mr. STADTLER. Certainly. In fact, we are putting that out for bid.

Mr. OBERSTAR. Early, by early I mean three weeks ago or so, four weeks ago, early after the signing into law, we received information Amtrak that something in the range of 80 to 90 rail passenger cars would be refurbished at the Indianapolis facility. Is that still on track?

Mr. STADTLER. Yes, that is correct.

Mr. OBERSTAR. Do you know how many cars you anticipate doing?

Mr. STADTLER. I have the exact number, 81.

Mr. OBERSTAR. Eighty-one. My recollection was a little higher than that number. Eighty-one, that is right. No, that is correct. That is the number I recall receiving.

Mr. STADTLER. Then there are 15 locomotives as well, above and beyond that.

Mr. OBERSTAR. And locomotives on top of that, yes.

Mr. Diaz-Balart, do you have any further questions?

Mr. DIAZ-BALART. Thank you, Mr. Chairman. I have just a couple about Amtrak. How does Amtrak intend to spend the $450 million money for security? Does that funding go through the Department of Transportation as the annual capital and operating grants do or will it flow through the Department of Homeland Security? Do you have any idea?

Mr. STADTLER. That money actually is flowing through the Department of Transportation and it has already been awarded. We signed the grant within the 30 days.

What we will be spending it on is security and line safety projects. Some of those projects range from improving lighting in stations where the parking lighting is poor. We are enhancing our Positive Train Control projects on the northeast corridor and in Michigan. We are installing closed circuit TV on yards where we have a history of vandalism. It is a wide range of projects.

Mr. DIAZ-BALART. Great. Generally speaking, how much of the Amtrak capital grant funds—obviously we are talking about these Recovery funds, this bill's funds—will stay in-house versus Force Account and other construction work by outside?

Mr. STADTLER. I would have to respond to that for the record but the majority of it will be going outside.

Mr. DIAZ-BALART. Most of it will be going outside?

Mr. STADTLER. That is correct. But we can get the exact number.

Mr. DIAZ-BALART. Lastly, Mr. Chairman, on that is you mentioned in your statement that there is an estimate of 4,600 new jobs that will be created as a result of the $1.3 billion appropriated. How many of these jobs do you think will be new Amtrak permanent employees as opposed to private sector jobs?

Mr. STADTLER. Just to clarify, the 4,600 jobs is just in the first year. We will probably double that amount when the February, 2011 time is met.

We think that, again, the majority of those jobs will be outside jobs. We don't have an exact number yet. As the projects get more fleshed out, we will have a closer number. As my colleagues are doing, we will be reporting every 30 days to the FRA on exact numbers internal and external.

Mr. DIAZ-BALART. Thank you. Thank you, Mr. Chairman.

Mr. OBERSTAR. Very good. Thank you.

Mr. Salt, I am reflecting on your response to my earlier question about the 1,191 projects. Does that capture the entire $4.6 billion allocated to the Corps under the Recovery Act?

Mr. SALT. No, sir. The Corps did not allocate or did not request designation for about $200 million of the appropriated funds. They are holding that to deal with any variances that come in the bidding. Once we start to get a better read, to the question that was asked before about our estimates versus the actual bids, we will go ahead.

Mr. OBERSTAR. So you have a reserve in case projects come in above cost estimates so that you can meet those.

Mr. SALT. That is right. It is so we will be able to meet that list. If the bids turn out lower, if the actual bids come in lower, then obviously we would have that increment of funds that we could then use.

Mr. OBERSTAR. Use on the second lock of Project Marie?

Mr. SALT. Correct. Well, to use on other projects.

[Laughter.]

Mr. OBERSTAR. That wasn't fair.

[Laughter.]

Mr. OBERSTAR. That was not fair. Now the use it or lose it principle that we insisted on in the Highway and Transit Program with the FAA doesn't quite apply in the same way because it is not one State using Corps projects and if they don't use it, it goes to another State. But if a project for some reason or another falls out—it doesn't meet your criteria or the contract can't be awarded—what are you going to do with those funds?

Mr. SALT. We go to the list.

Mr. OBERSTAR. You have another list? You have a long list.

Mr. SALT. We have a long list. At the risk of getting in trouble—I am sitting here with a moral dilemma—the person who directed that the Sault Saint Marie Project be out was me. It wasn't OMB. It was because of my reading of the law of projects with long term economic benefits. I read that and the projects that are on the list were the projects that had better economic benefits as we went through the list. It wasn't an OMB direction. It was my honest attempt to try and develop a list that best met the needs and the direction of the Congress.

Mr. OBERSTAR. That is a very honest answer. That was what Mr. Diaz-Balart said we would get from you.

Mr. SALT. You didn't ask who it was and I was sitting here as this conversation is going on. I would just say that I, working with the Corps, attempted to carry out the guidance as best we understood it. I was new enough to not even know whose Congressional districts the projects were in or anything. We just tried to carry out the guidance as best we understood it.

Mr. OBERSTAR. It is not in my district, either, and that is not the purpose of it. The point is that you and I need to have a further conversation about this. The evaluation factors for that second lock at Sault Saint Marie were based on old data that don't reflect new developments in either the upper lakes or the lower lakes. The changes in economics and changes in goods movement justify this second lock.

Likewise, we passed a bill in the House this week to authorize a second ice breaker for the Great Lakes. The Coast Guard just had one ice breaker and a handful of little midgets that are supposed to keep the lanes open. Well, the little harbor tugs can't keep the lanes open for the shipping to move the coal that we need in lower lake ports, nor the iron ore that the steel mills need to make steel, nor the sand and gravel that is needed for the highway programs.

When the Mackinaw was needed in Lake Superior, it was on duty in Lake Eerie or Ontario. We need an ice breaker in the upper lakes and in the lower lakes as well. And we need a second lock at Sault Saint Marie.

This thing has been going on since the Reagan Administration when they wanted to require all States to contribute something to it. Then they wanted to charge interest to repayment of the cost of that lock. Well, the Tennessee Tom Bigby Waterway was $1 billion and there was no cost share on it. The Atlantic Intracoastal Waterway, 2,500 miles, has no cost share. It is all Federal funds. The Gulf Intracoastal Waterway, 1,600 miles from Texas through to Florida, has no local cost share.

We are not a Third World country on the Great Lakes. We are not a colony. The goods produced there represent 40 million people. They represent 25 percent of the industrial capacity of the United States and 40 percent of the agricultural exports of this Country. That is a vital artery. We need to have action on it just as the Mississippi needs action on those five locks that need to be extended from 600 to 1,200 feet.

So while I have got you here, I want you to pay attention.

Mr. SALT. Sir, I am listening very carefully.

Mr. OBERSTAR. I see that. I appreciate it.

The panel is dismissed. Thank you very much for your contributions. We will see you in 30 days.

Our next panel consists of Inspector General of the Department of Transportation, the Honorable Calvin Scovel, a frequent presenter before our Committee; Katherine Siggerud, Managing Director of Physical Infrastructure Issues at GAO; and Melissa Heist, Assistant Inspector General for the U.S. EPA.

Inspector General Scovel, you have been such a frequent witness before this Committee, you almost have your own assigned seat. Thank you for your diligence in carrying out the duties of your Office. You have been a great asset to this Committee and a great asset to the public—the flying public, the highway traveling public, the rail using public, and the maritime public. You have made exceptional contributions. We are grateful for your service.

Thank you very much for being with us.

TESTIMONY OF CALVIN L. SCOVEL III, INSPECTOR GENERAL, U.S. DEPARTMENT OF TRANSPORTATION; KATHERINE A. SIGGERUD, MANAGING DIRECTOR, PHYSICAL INFRASTRUCTURE ISSUES, U.S. GOVERNMENT ACCOUNTABILITY OFFICE; AND MELISSA HEIST, ASSISTANT INSPECTOR GENERAL FOR AUDIT, U.S. ENVIRONMENTAL PROTECTION AGENCY

Mr. SCOVEL. Chairman Oberstar, thank you very much for your comments. I would remiss if I didn't cite the sterling efforts of my staff to support the important mission of both the Secretary of Transportation and of this Congress. They deserve all credit, sir.

If I may, Chairman Oberstar, Ranking Member Diaz-Balart, and Members of the Committee, I welcome the opportunity to testify today on the challenges facing DOT's implementation of the Recovery Act and our related audit and investigative initiatives.

We are working with DOT officials in support of their related efforts and we have assembled a team of auditors, investigators, and attorneys to review the Department's implementation of the Recovery program. We are also working with nine other IG offices as part of the Recovery Act Accountability and Transparency Board created by ARRA.

The Recovery Act designates an unprecedented $48 billion for DOT programs, adding new challenges on top of longstanding ones we have previously highlighted. These include overseeing numerous grantees and projects across the Country as funding is infused into the economy. In addition to significantly increasing funding for existing DOT programs, the Act directed the Department to create new programs and establish tight timeframes for distributing and expending funds and for reporting results such as the number of jobs created.

Both the President and Congress have emphasized the need for accountability, efficiency, and transparency. Your commitment to vigilant oversight is evidenced by this hearing. We also recognize the Department's proactive efforts to ensure effective implementation, including the work of Secretary LaHood's DOT-wide TIGER team.

My statement today focuses on the challenges facing DOT and our strategy to advance the effective and efficient use of these funds. First, DOT must continue to address the significant oversight challenges posed by the Recovery Act. Last month, we issued a comprehensive report that identified actions DOT should take now to address known challenges and support Recovery Act requirements. These challenges fall into three areas: overseeing grantees receiving funding; implementing new programs and reporting requirements in an effective manner; and combating fraud, waste and abuse.

Specific actions noted in our report include acquiring sufficient staff with relevant expertise; ensuring that grantees use appropriate contract types; addressing internal control weaknesses, such as identifying any unused funds for use on other eligible projects; developing plans and criteria for more than $9 billion in new programs; and finally, taking timely action to suspend or debar contractors who defraud the Government.

Next, I want to focus on what our Office is doing to promote accountability in the Recovery program. Our audits and investigations will continue to examine areas that present the greatest risks. We are committed to promptly notifying DOT and Congress of actions needed to prevent fraud, waste, and abuse and to achieve program goals. In anticipation of the Act's passage, we initiated a risk-based, three-part strategy.

We completed phase one last month by issuing our comprehensive report on DOT's oversight challenges. We also identified ongoing audits that started before the Recovery Act but have relevance to programs funded under it. These include audits on award fee implementation, suspension and debarment practices, and Amtrak's capital program. We are fast tracking the most time sensitive results of our work so that we provide timely and relevant information to DOT and the Congress.

Phase two of our strategy is now underway. We are conducting a series of structured reviews, or scans, of the DOT agencies that received Recovery funding. Specifically, we are examining vulnerabilities in program management and planning that could impede DOT's ability to effectively oversee projects and meet new statutory and OMB requirements.

We will be reporting the results of phase two through a series of advisories to the Department and Congress as events warrant. We will conclude phase two this summer with a capstone report on the results of the scans.

Phase three is a longer term initiative in which we will drill down on high risk areas that emerge as a result of our agency scans.

Also, our investigators are being proactive in supporting DOT and its grantees. They are reaching out to officials in all modes of transportation to conduct fraud awareness and prevention briefings and training at all levels of Government so those involved in carrying out the Recovery program know how to recognize, prevent, and report suspected fraud. For example, we have made personal contact with FHWA officials in all 50 States and the District of Columbia, FTA officials in 24 States, FAA officials in 20 States and D.C., and State and local officials in 45 States and DC.

I assure you that we are strongly committed to meeting our increased audit and investigative workload. To that end, we appreciate the additional funding provided to us. We intend to make the most of it. This funding will enable us to maintain staff, travel budgets, information technology, and other resources that we need.

We are also conducting external outreach, including to our Congressional clients, to solicit their input in updating our strategic plan to address new crosscutting challenges posed by this program.

In conclusion, it is critical that we do everything possible to maximize this opportunity to make needed investments in our Nation's infrastructure while protecting taxpayer dollars. We are committed to doing just that.

That concludes my statement, Mr. Chairman. I would be happy to answer any questions you or other Members of the Committee might have.

Mr. OBERSTAR. Thank you very much for that splendid presentation. I have just one question before I go to the next witness. Those initiatives that you described as being put in place in all of the States that you mentioned and so on, do you anticipate that this will have a preventative effect on fraud, abuse, and misuse?

Mr. SCOVEL. We anticipate that it will. That is the entire motivation for our efforts so far. I would like to give credit to Secretary LaHood as well. He and I co-hosted a webcast to all Department staff back in March with the goal being fraud prevention and awareness. My staff has made consistent outreach efforts across the board, throughout the Department, to State and local grantees, and to contractors as well. At FHWA's invitation, we will be hosting a series of web instruction pieces throughout the month of May so that, we hope, in the end we will have reached every single FHWA employee.

Mr. OBERSTAR. Well, that is good to hear. Secretary LaHood certainly is the right man in the right place at the right time.

Ms. Siggerud, welcome to our Committee. You have been here many times before. We are glad to have you back.

Ms. SIGGERUD. It is a pleasure to be here. Mr. Chairman, Mr. Diaz-Balart, I am pleased to be here today to discuss GAO's work on the American Recovery and Reinvestment Act of 2009.

As you know, the Act directs GAO to conduct bimonthly reviews on the use of funds by selected States and localities. We just completed our first review last week where we examined 16 States and the District of Columbia. We expect to track these States over the next few years to provide an ongoing analysis of their use of Recovery Act funds.

My statement today is based on this recently completed work and provides an overview of first, selected States use of Recovery

Act funds, primarily for highway programs; second, their actions to ensure accountability; and third, plans to evaluate the Act's impact.

I do want to note that we have been working closely with the Department of Transportation over the past three months and the cooperation has been excellent. For example, biweekly the Department's TIGER stewardship team meets with us and with the Department's Inspector General to share information.

Regarding my first topic, State's use of funds, as of April 24th, the DOT reported that nationally about $8 billion in Recovery Act highway funding had been obligated, meaning the DOT and the States had executed agreements on these projects. For the 17 locations that we reviewed, approximately $3.8 billion in highway funding had been obligated with the percentage of funds obligated ranging from 1 to 65 percent in those States.

States plan to meet statutory deadlines for obligating highway funds. The plans are facilitated by States using their existing State-wide planning processes as required by the Act.

A few States had already executed contracts. For example, as of April 1st, Mississippi had signed contracts for 10 projects totaling $77 million. This is part of the State's goal to link every State resident to a four lane highway within 30 miles or 30 minutes.

States also report that they targeted transportation projects that can be started and completed expeditiously. Several States have focused on repair and rehabilitation projects because these projects require less environmental review or design work and therefore can be started quickly.

Some States also reported selecting projects that create jobs in their economically distressed areas. For example, North Carolina plans to award $466 million for 70 highway and bridge projects in economically distressed areas. We plan to review States' considerations of these areas in our future work.

Another issue is States' certification that they will maintain their level of effort. Fourteen of the 17 locations that we reviewed submitted these certifications with explanations or conditions attached. Last week, DOT informed States that the Recovery Act does not authorize such caveats. In our future bimonthly reviews we expect a report on FHWA's oversight in this area and why States indicated that they may not be able to maintain their levels of effort.

Regarding my second topic, the tracking of funds to foster accountability, officials from all 17 locations told us that they had established or are establishing methods and processes to separately identify, track, and report on the use of Recovery Act funds they receive.

However, State officials reported a range of concerns on the Federal requirements to identify and track Recovery Act funds going to localities and others. These concerns include their inability to track these funds, accountability for funds which do not pass through the State, and their desire for additional Federal guidance. OMB and FHWA continue to develop guidance and communication strategies for tracking funds' use. We will continue to review those efforts.

Regarding my third topic, assessing the impact of the Recovery Act, States vary in how they plan to carry this out. Some States will use existing Federal program guidance or performance measures to evaluate an impact, particularly for ongoing programs such as FHWA's surface transportation programs. Other States have not yet determined how they will assess impact. A number of States want clearer definitions of jobs created and retained under the Act as well as methodologies that can be used for the estimation of each.

OMB has issued guidance but it did not provide methodologies. OMB plans to update this guidance in the next 30 to 60 days. Given the questions raised, we recommended in our first bimonthly report that OMB continue its efforts to identify appropriate methodologies.

Finally, I want to mention three other Recovery Act reviews that we are undertaking that may be of interest to this Committee. First, as a part of our ongoing work to report on agencies' implementation of the Energy Independence and Security Act of 2007, we plan to assess the impact of Recovery Act funding on GSA's ability to meet high performance Federal building requirements. Second, we plan to look at the $1.5 billion supplementary discretionary grant program. This is a new program and we expect to assess how DOT developed its grant selection criteria, which the Act requires DOT to publish in less than a month. Finally, we plan to review the high speed rail program established by the Act. This new program provides about $8 billion for high speed and intercity passenger rail projects. We expect to focus on how DOT's efforts will increase the chances of viable high speed rail projects consistent with recommendations in our recent report.

In carrying out these and other reviews, we will work with this Committee to understand your interests. Mr. Chairman, this concludes my prepared statement. I am happy to answer questions at the appropriate time.

Mr. OBERSTAR. Thank you very much for your thoughtful comments.

Now, Ms. Heist.

Ms. HEIST. Good afternoon, Mr. Chairman and Mr. Boozman. I am Melissa Heist, the Assistant Inspector General for Audit at the EPA Office of Inspector General. I am pleased to be here today to discuss challenges the EPA faces in implementing the Recovery Act and the OIG's oversight plans.

Under the Recovery Act, EPA received over $7.2 billion, which is roughly equal to its fiscal year 2009 appropriation. $6 billion of this is for the Clean Water and Drinking Water State Revolving Funds. To date, EPA has awarded grants totalling nearly $1.8 billion.

EPA will face some significant challenges as it awards and manages Recovery Act funding.

One, for the SRF programs, EPA and its grantees will be challenged to spend the SRF Recovery Act funding in a timely manner. The Congressional Budget Office has noted that historically, appropriations for the SRF programs are spent slowly with about half the funds spent over the first three years. If this trend continues, it will delay much needed water improvements.

Two, since most Recovery Act funds will be awarded through assistance agreements or contracts, EPA will be challenged to have sufficiently trained staff to award and monitor stimulus-funded projects in addition to their normal workloads. This could hamper management and oversight of these funds and increase the potential for fraud, waste, and abuse as well as cost overruns and project delays.

Three, EPA will be challenged to have information needed to identify fraud, waste, and abuse at the level where most funds are expended, specifically below the sub-recipient level. This is because OMB is currently only requiring States to report information down to the sub-recipient level.

We have developed an initial oversight plan to assess whether EPA is using funds in accordance with applicable requirements and meeting accountability objectives. As we identify risks, we are providing flash reports to agency managers and meeting with them. We have been meeting with them to increase our understanding of how stimulus funds will be used and to provide technical assistance based on our past experience. We are also reviewing prior audits in program areas covered by the Recovery Act to determine whether corrective actions have been taken.

Lastly, we will be reviewing EPA's management of Recovery Act programs, how funds are being used, and the accuracy of information being reported.

From an investigative perspective, we are undertaking a proactive approach to preventing fraud, waste, and abuse by educating EPA and State employees, contractors, and grant recipients on identifying fraud indicators and reporting suspicious activities to us. We are conducting outreach with law enforcement at all levels in an effort to gather information on potential fraudulent activity. This outreach includes contacting the top State Revolving Fund recipients. We are developing teams of investigators, auditors, and evaluators to analyze fraud indicators and identify high risk recipients. Finally, we will be reviewing concerns raised by the public. We have started to issue reports on our oversight activities. Earlier this month, we issued a report to alert EPA managers of open recommendations from prior audit reports that could impact EPA's Recovery Act activities. We recommended that EPA expedite corrective actions and let us know shortly how it plans to address them. In another report, we provided OMB with comments on its updated Recovery Act guidance.

We are currently auditing EPA's use of contractors' past performance evaluations and responsibility determinations in awarding Recovery Act funds. We have initiated work to assess concerns expressed by public interest groups about how funding set aside under the Recovery Act for green projects will be used. Shortly, we will start an audit focused on looking at States' processes to award State Revolving Funds.

In conclusion, the purpose of the Recovery Act as it applies to EPA is to preserve and create jobs, promote economic recovery, and invest in infrastructure and other environmental protection activities that will provide long term economic benefits. The OIG's role is to assess whether EPA is meeting its responsibilities and to hold EPA accountable for the funds it expends. We have already initiated a number of activities designed to prevent fraud, waste, and abuse of Recovery Act funds and to help ensure the Act attains its stated purposes. We will revise and update our oversight plans as necessary to ensure that fraud, waste, abuse, and mismanagement is identified and addressed.

Thank you for the opportunity to testify before you today. I would be pleased to answer any questions you may have.

Ms. MARKEY. [Presiding] Thank you very much, panel.

This first question will go to General Scovel. Has the Office of the Inspector General received any reports of fraud under the Recovery Act programs yet? If so, what investigative actions is your office taking to prevent waste, fraud, and abuse, in the Recovery Act projects?

Mr. SCOVEL. Thank you, Ms. Markey. I am not aware yet that we have received any specific reports related to fraud tied to Recovery Act programs. I can say that when I checked on Monday with our hotline center, I was told that we had received as of Monday eight calls to date related, we think, to Recovery Act matters.

One of those calls asked the question—it originated in a midwestern city where apparently the caller thought airport improvement work was being done under FAA's AIP program—the caller asked why a contractor who had been convicted in the past was allowed to receive an FAA contract to perform this AIP work.

That is the kind of question that we have gotten so far. We intend to follow up on every single one of those. But I am not aware of any other specific fraud related questions to my office.

Ms. MARKEY. Okay, thank you.

I will direct this next question to Ms. Heist. Ms. Heist, you note in your testimony that historically the State Revolving Fund programs are spent slowly, with only about half of the funds spent over the first three years. What steps has the Office of the Inspector General taken to help ensure EPA complies with the statutory requirements under the Recovery Act?

Ms. HEIST. One of the things that we are doing is we initiated an audit specifically looking at the States' intended use plans. Of course, SRF funds go through the State. One of the things that we will be looked at is the selection criteria that were used. We will also examine whether they looked to make sure that the localities that received funds actually had shovel-ready projects. So that is one of the things that we will be doing.

Ms. MARKEY. Thank you.

I do have one question for Ms. Siggerud. In your testimony you mentioned that in GAO's first bimonthly report, GAO recommended that OMB evaluate current information and data collection requirements. How well has OMB coordinated with the DOT to develop guidance to assist States and other entities in complying with the reporting requirements of the Recovery Act?

Ms. SIGGERUD. Our sense is that the cooperation and the collaboration between OMB and all the Executive Branch agencies has been relatively constructive. The Department has actually been out in front of OMB in a few areas where the Department had expertise in terms of providing guidance to States in implementing these programs.

We do feel, however, that as we go forward, and as States need to be able to track jobs as well as spending below the State level, that OMB needs to keep a close eye on exactly what these reporting requirements are. They need to make sure that they come to a cohesive whole rather than being overlapping or possibly overburdensome.

Ms. MARKEY. Thank you. Thank you very much.

I would like to yield to the Ranking Member.

Mr. BOOZMAN. Thank you, Madam Chair.

Inspector General Scovel, do you feel like you are positioned to appropriately and properly implement the fiscal controls that you are being asked to? I guess what I am saying is, do you have the tools in the toolbox to perform this? This is a huge job and it is a little different. Can you comment on that?

Mr. SCOVEL. Certainly, Mr. Boozman. I would like to acknowledge gratefully the special appropriation of the Congress of $20 million to my Office so that we could carry out our oversight responsibilities for DOT with regard to Recovery Act matters. We intend to hire up. We certainly need more staff. We have a specific skill set we are looking for. We have already requested authority from OPM to rehire retired Federal annuitants and we intend to exercise that authority as well.

We will be hiring auditors and investigators as well as a much smaller number of special support people. We think that within a couple of months, sir, we will be very well positioned. Our audit and investigation plans right now are predicated both on our hiring up and looking forward so that we can ensure that we give adequate coverage across the entire Department's Recovery Act efforts.

Mr. BOOZMAN. Good. I think that all of us are committed on both sides to helping you in any way that we need to in that regard.

Ms. Siggerud, Section 1201 of the Recovery Act requires separate job creation reporting requirements for DOT. Do you agree that Section 1201 requires DOT grant recipients to report the number of direct-on project jobs created or sustained or is it rather just an estimate of job creation?

Ms. SIGGERUD. We have not looked at this issue in detail, Mr. Boozman. My understanding is that States are to report to the Department direct and indirect job creation. I do not believe there is yet any specific direction as to the methodology for doing that.

Mr. BOOZMAN. Thank you.

Ms. Heist, at previous hearings we have had witnesses tell us that one of the main reasons that we have some of the infrastructure problems that we have is that communities have not maintained their infrastructure. I guess the question is, what are we going to do to ensure that the money that we give to communities without good asset management plans, are we following up on that to make sure that we are not rewarding bad behavior of the past?

Ms. HEIST. Our office has not specifically looked at that recently. We will look at that when we are looking at the intended use plans that the States have put together. But that is an area that is particularly important, I understand, as to why we do have some of the problems that we have today. So we will need to take a look at that.

Mr. BOOZMAN. Good. I would appreciate that. Again, I think we all would agree that is something that we really do need to look at and, like I say, make sure that we are not rewarding bad behavior.

Thank you, Madam Chair. Thank you to the panel. I enjoyed your testimony.

Ms. MARKEY. I would also like to thank the panel for being here with us today. You are dismissed.

At this time we would like to seat panel number four. We have the Honorable Allen Biehler, Secretary of Transportation, State of Pennsylvania, representing the American Association of State Highway and Transportation Officials; Mr. Matthew Millea, Acting President, New York State Environmental Facilities Corporation, representing the Association of Interstate Water Pollution Control Administrators; Mr. J. Barry Barker, Executive Director, Transit Authority of River City in Louisville, Kentucky, representing the American Public Transportation Association; and Mr. Michael Morris, Director of Transportation, North Central Texas Council of Governments, representing the Association of Metropolitan Planning Organizations. Thank you all for being here.

We are voting right now so we are going to need to recess for a few minutes so that we can vote. We will reconvene shortly. Thank you.

[Recess.]

Ms. EDWARDS. [Presiding] The Committee will reconvene. We thank you for your patience. We have introduced the first panel, so we will hear from the Honorable Allen D. Biehler, Secretary of Transportation, State of Pennsylvania; Mr. Matty Millea, President of the New York State Environmental Facilities Corporation; Mr. J. Barry Barker, Executive Director of the Transit Authority of River City in Louisville, Kentucky; and Mr. Michael Morris, Executive Director of North Central Texas Council of Governments. Thank you very much for your patience.

Mr. Biehler?

STATEMENT OF ALLEN D. BIEHLER, SECRETARY OF TRANSPORTATION, STATE OF PENNSYLVANIA, REPRESENTING THE STATE ASSOCIATION OF HIGHWAY AND TRANSPORTATION OFFICIALS; MATTHEW J. MILLEA, PRESIDENT OF THE NEW YORK STATE ENVIRONMENTAL FACILITIES CORPORATION, REPRESENTING THE ASSOCIATION OF INTERSTATE WATER POLLUTION CONTROL ADMINISTRATORS; J. BARRY BARKER, EXECUTIVE DIRECTOR, TRANSPORTATION AUTHORITY OF RIVER CITY IN LOUISVILLE, KENTUCKY, REPRESENTING THE AMERICAN PUBLIC TRANSPORTATION ASSOCIATION; AND MICHAEL MORRIS, DIRECTOR OF TRANSPORTATION, NORTH CENTRAL TEXAS COUNCIL OF GOVERNMENTS, REPRESENTING THE ASSOCIATION OF METROPOLITAN PLANNING ORGANIZATIONS

Mr. BIEHLER. Madam Chairman, thank you very much.

Let me start by saying first thank you on behalf of all of us, in this case especially ASHTO, for securing over $46 billion in transportation funding as part of the Recovery package. This funding will create or sustain thousands of jobs and fund transportation improvements in communities all over America.

I want to emphasize five points for your consideration. One is that because State departments have already geared up and were, in fact, geared up in advance of the legislation, we are seeing the following things: Funds being obligated swiftly, projects already under construction, people going back to work in good paying jobs, bids coming in under estimates, and we believe funds well spent to extend the life of existing highways and create new transportation assets.

The $27.5 billion in flexible economic recovery funding provided for highways, States are required to obligate 50 percent of the funding they receive by June 30. According to the Federal Highway Administration's report as of April 27, about $8 billion has already been obligated. We are well on our way. Also, FHWA has approved projects in all 50 States as well as the District of Columbia. Our expectation is that all 50 States and the District of Columbia will meet easily the 50 percent obligation date.

We appreciate the fact that in Pennsylvania, specifically, Pennsylvania has been allocated $1 billion in stimulus highway funding. I just want to note the cooperation that has taken place between the Pennsylvania Department of Transportation and the 23 metropolitan and rural planning organizations that met quickly to help select projects to be funded through the economic recovery program.

In anticipation of the funding legislation, in fact, PennDOT began discussing candidate projects as early as January with the metropolitan and rural planning organizations. Once the law was enacted on February 17, these agencies began to work as quickly as they could. Frankly, by March the 9th, all 23 organizations working with the Pennsylvania Department of Transportation had taken official action and created a final list of specific projects that each of the regions approved.

The aggregate list in Pennsylvania contains roughly 242 projects totaling $1.026 billion. To give you a sense of the kind of projects we have, about 40 percent of those projects are bridge rehabilitations, repairs, and replacements. Another 40 percent are highway repaving projects. The remaining 20 percent are a mix of safety projects, congestion management, and enhancement projects.

Just to kind of bring you up to date in Pennsylvania, as of yesterday, Pennsylvania had received Federal obligation authority for 122 projects valued at $359 million. Again, our target is ultimately to obligate all $1.26 billion. We have also opened bids on 62 projects totaling $129 million. I am happy to tell you that construction work has already begun on some of our projects.

Let me just quickly highlight a few other States and what they are doing to put their economic recovery dollars to work. Florida is using $56 million to widen six miles of a major connector between Interstate 10 and Interstate 95, which is one of the hurricane evacuation routes. In Oklahoma, work is already underway on a $45 million job to rebuild 18 miles of Interstate 40, a major truck route which carries 39 thousand vehicles a day. Tennessee is using highway funds to replace 10 deteriorating county bridges.

With the flexibility provided in the Recovery Act, a number of States are investing highway funds in other projects such as bicycle/pedestrian projects, transit, freight rail, and port projects. In Ohio, 22 freight rail projects will be funded with $78 million in the highway fund portion. Highway funds are also being flexed to transit for buses and bus shelters in Florida, a pair of transit vehicles in Indiana, and ferry terminal upgrades in New York. More than 40 percent of the Oregon highway funds will go to rail/port/transit/bicycle and pedestrian projects.

Across the Country, States are seeing project bids coming in significantly below estimates. Projects have come in ranging somewhere between 5 and 25 percent below estimates. In Kansas, I think the first project that they opened back in April came in at 27 percent under the original estimate. By April, the Oklahoma Department of Transportation awarded contracts on 45 projects, costing $230 million. These bids came in 20 percent below. In Pennsylvania, our estimate currently is about 17 percent below.

So it is significant. And, frankly, if this trend continues, it means that we are going to be able to stretch our money even farther to deliver both jobs as well as good projects.

Secretary LaHood estimated on April 20 that the $7.5 billion in State requests for highway, road, bridge, and airport projects approved to date will produce 39,000 jobs.

In regards to reporting requirements, States are complying. Many have created their own websites to provide the accountability and transparency desired. We appreciate the efforts of the T&I staff working with ASHTO to make the reporting as efficient as possible.

Let me just also thank the Committee for their special efforts with, as I said before, securing these dollars. It is clearly going to help address part of a long backlog of needs that in my conversations with my counterparts every single State has in one shape or another.

Let me just close by saying that as we enjoy the opportunity to deliver the stimulus projects, I would be remiss if I did not at least mention that we obviously face some other issues and probably in a short period of time. Certainly the $8.7 billion recission called for in SAFETEA-LU is one issue. Without a new infusion of resources in the trust fund, insufficient resources will not allow us to maintain our current program into the next year. I know you will work to help us work together to deal with that.

Finally, let me just say special kudos to the Federal Highway Administration. They were working along side all of us as far back as December, encouraging all of us to be positioned well. I think that has been one of the keys to our success. It has really been a pleasure to work with that agency.

Thank you very much.

Ms. EDWARDS. Thank you, Mr. Secretary.

Mr. Millea?

Mr. MILLEA. Madam Chair, thank you. On behalf of Governor David Patterson, thank you for inviting me to participate in today's hearing on the implementation of the American Recovery and Reinvestment Act.

The Environmental Facilities Corporation has administered the Clean Water SRF in New York State since 1990, providing almost $10 billion in financial assistance to over 1,300 clean water projects. Our needs, however, remain great. Following the enactment of ERA, Governor Patterson received $6.5 billion in requests for ready-to-go sewer and wastewater treatment projects via his economic recovery site, bringing our immediate demand for financing in excess of $11 billion for close to 2,000 projects.

With regard to ERA implementation, I would like to take this opportunity to express our thanks to EPA Administrator Lisa Jackson and her staff who have worked tirelessly over the past two months to help the States succeed in providing these resources to ready-to-go water quality projects. They have all worked very hard to help the States move forward quickly on this important mission.

And moving quickly, we are. I am very pleased to report to you today that New York State has already applied for and received conditional grant approval from EPA for its ERA funding. We were thrilled to have Administrator Jackson travel to Albany on April 3rd to present Governor Patterson with our grant approval for $432 million for the Clean Water SRF program.

We have also worked very hard to develop what we believe is a transparent and effective plan to fund ready-to-go job-creating projects while also promoting the focus on building the energy efficient, water efficient, environmentally innovative projects. As you know, ERA requires the States to reserve 20 percent of their capitalization grant for green innovations projects, which for New York State is approximately $86.5 million. We will use $51.5 million of our green reserve as additional principal forgiveness for traditional Clean Water SRF projects. This money will help the clients that receive ERA assistance to take that extra step and include the most up-to-date water and energy efficiency technologies in their projects.

I am also pleased to report that New York State is adding $14 million of its own money to this effort from the proceeds of recent carbon credit auctions in order to further incentivize the deployment of energy efficiency measures at these facilities. EFC will dedicate the remaining $35 million of the green reserve to a new Green Innovations Grant Program.

On April 13th, Governor Patterson announced a call for projects for this new program which will provide 90 percent grant funding for non-traditional SRF projects such as the deployment of low impact development strategies including the use of green infrastructure, green roofs, urban forestry, energy efficiency measures, wastewater treatment facilities, and water conservation strategies. Applications are due on May 29 and we expect a tremendous response.

With regard to the additional subsidization authorized in ERA, EFC opted to provide projects with 50 percent principal forgiveness and 50 percent low-cost financing. Communities may increase their grant funding by including the energy efficiency measures or other green innovations I just mentioned. A $10 million treatment plant upgrade may include an additional $750,000 in energy efficiency improvements or $250,000 for the construction of a green roof, for example. We would fund this $1 million cost increase via our Green reserve, thus providing our client with $6 million in principal forgiveness and $5 million in traditional low-cost financing.

We wholeheartedly welcome the return of Federal grant funding for Clean Water projects and we applaud this Committee and the House's efforts to continue this approach in the recently passed SRF reauthorization bill.

We have also increased benefits for rural hardship communities. Qualified hardship communities currently receive an interest subsidy of as much as 100 percent in order to help make projects more affordable to the end user. We intend to provide ERA eligible hardship clients zero percent loans and up to 80 percent principal forgiveness based upon our hardship analysis.

I am pleased to report to you today that once our implementation strategy was clear, we worked quickly to advance ready-to-go projects. On April 14, the EFC's board of directors approved our first 10 ERA eligible projects, requiring $170 million in financial assistance. When complete, these projects will help to remove nitrogen from Long Island Sound, protect the Ramapo River Watershed in New York and New Jersey, improve the social and economic viability of two rural communities in upstate New York, and promote the use of green infrastructure to mitigate storm water runoff in the city of Syracuse. Our board of directors will meet again on May 14 and June 30 to approve additional ERA projects.

While there are many challenges to implementing ERA, our greatest challenge to date has without a doubt been the Buy American provisions. But as you heard earlier today, we are very pleased to have seen the actual final guidance provided by EPA in the last 24 hours. It is extremely encouraging to see that. I think there are a lot of great things in that guidance. They have answered a tremendous amount of questions, and we look forward to working with EPA to execute the commitments made in that guidance. I think it has given us a lot of comfort that we can move forward on these projects more quickly now.

Just in closing, I would like to express our gratitude from New York's perspective as SRF administrators, but also from CFA and ESWIFC, for the work of this Committee on SRF reauthorization. That has been a tremendous effort. We thank you for continuing to move forward on it. These funds are desperately needed not just through ERA but also in the years ahead as we have now identified so many more projects that require assistance. ERA is a great start but we need the assistance that will come through reauthorization in the years ahead.

So in closing, thank you again for the opportunity to appear before you. This is a significant and historic time in the SRF program. We are grateful for the funds in the American Recovery and Reinvestment Act. And while there remains much work to do, I look forward to submitting further reports to this Committee as we continue to make progress in implementing this important program. Thank you.

Ms. EDWARDS. Thank you, Mr. Millea.

Mr. Barker?

Mr. BARKER. Thank you. Representative Edwards and Boozman. I thank you for the opportunity to testify today. I am speaking today on behalf of both the Transit Authority of River City, TARC, in Louisville, Kentucky, and the American Public Transportation Association, APTA. I have been TARC's executive director for 15 years, and serve on APTA's executive committee as the vice chair for governmental affairs.

Thank you for the opportunity presented by the passage of the American Recovery and Reinvestment Act to demonstrate what public transportation can contribute to turning the economy around and to improving the quality of life in America. APTA is releasing a report prepared by the Economic Development Research Group which shows that every $1 billion of Federal investment in public transportation yields 30,000 jobs. Taking the $8.4 billion in the Recovery Act, that amounts to about 252,000 jobs. Two-thirds of those jobs replace lost blue collar jobs with green jobs, green jobs getting people to and from jobs.

Under the Recovery Act, TARC will receive $17.6 million. Thanks to FTA's pre-award authority provisions, we are moving swiftly on six projects. We have already opened bids on two projects. We received seven bids on what will be a lead silver certified maintenance annex, and we have received eight bids on our emergency power generation facility, all under budget. We open bids on Monday on the remaining two construction projects that deal with roofing and facility rehabilitation.

The four construction projects will produce 227 jobs. At each of the pre-bid meetings, we asked the Louisville Urban League to highlight their construction pipeline program making contractors aware of trained potential employees, the majority of which are minorities and women. Some 80 of the 227 jobs are related to green construction techniques.

These 80 jobs are related to our lead certified maintenance facility. It is a $5.5 million project, 14,000 square foot building which we had ready to go and, in fact, postponed it because we prioritized the need to buy buses over building that facility. So we have been able to come back around and do just that. It will train operators and mechanics, the future of public transportation. It gives us space to maintain electronic components, and it provides us with a dedicated space to clean buses.

It will have a bios well for storm water retention, a vegetative roof, solar panels to provide an alternate way to light the buses during clean, which, interestingly, was an idea of one of our maintenance employees, so we won't be needing to run the bus during the cleaning cycle but we can actually power it off the solar panels. The building is estimated to utilize 20 percent less energy than a conventional building.

We are adding 10 hybrid buses to our fleet. We will be using options provided by our sister agency, the Nashville MTA, to buy Gillig hybrids manufactured in Haywood, California. By using components across the Country, the engines and the drive trains will be manufactured just up the road from us in Indiana.

These examples mirror activity occurring across the Country. Last fall, APTA identified 787 ready-to-go projects, which include examples discussed with this Committee. The Virginia Rail Express, VRE, has added four locomotives to its original order of five to be manufactured by Motive Power in Boise, Idaho. Muncie, Indiana is ordering its first three hybrid buses from Gillig. The Chicago Transit Authority has already started vital track reconstruction on their Blue Line and is ordering 58 articulated buses from New Flyer in St. Cloud, Minnesota.

I think I can speak for all the transit agencies throughout the Country when I say this current Congress is generating fresh energy and renewed commitment to public transportation throughout the Nation. APTA has for decades promoted the role of public transportation in improving our economy, reducing energy dependence, and caring for the environment. Today, with the support of this esteemed Congress, our message is taking hold in historic proportions and we are optimistic that your support will be a key factor in improving public transportation and the quality of life in the communities throughout America. Thank you.

Ms. EDWARDS. Thank you, Mr. Barker.

Mr. Morris, I believe I misspoke earlier. You are the Director of Transportation of North Central Texas Council of Governments. Thank you for your testimony.

Mr. MORRIS. Thank you very much, Madam Chair Edwards, for the invitation, and Ranking Member Boozman, thank you for inviting us today. My name is Michael Morris. I am the Director of Transportation at the North Central Texas Council of Governments.

We are the metropolitan planning organization for Dallas/Fort Worth. Today I represent the Association of Metropolitan Planning Organizations. There are almost 400 of us from across the Country. Chairman Oberstar was in our region last week with Congressman Edwards. It was very nice to see the Chairman take the time to bring the message of economic recovery to the Country. Ranking Member Mica comes to our region every year with Congressman Doctor Burgess to our transportation summits. So please pass on to Congressman Mica our thanks for coming to our transportation summit every year. And, obviously, Eddie Burness Johnson is a strong Congressman in our region and a strong Member of this Committee, and obviously a strong advocate of transportation in our region. Please thank all of them for their service.

It is an honor to be part of this panel. Three of us also serve on the Transportation Research Board executive committee as part of the National Academy of Sciences.

First, from the perspective of the Association of Metropolitan Planning Organizations, and, yes, Madam Chair, we MPOs have the responsibility to get cities and counties involved in the process and look forward to working with you in the new legislation to make sure metropolitan planning organizations live up to their responsibility with regard to the appropriate size of their region. To give you some perspective, the State of Maryland can fit inside the Dallas/Fort Worth metropolitan planning organization, both in land area and in population, as we aggressively move out to 12 counties around the Dallas/Fort Worth region.

I, too, want to thank you very much for the very Act itself and the ability of moving forward on funding, desperate funding for transportation. I hope you would keep track of four elements of job growth.

First, the direct jobs that are created from transportation expenditure. I ask you to keep track of the indirect jobs that are then created as those construction workers need other goods and services.

I ask you to keep track of those projects that have capacity improvements in them, because as you change the capacity of the system you increase the productivity and just in time delivery as well as the productivity of the person on a rail or transit investment, and that has direct job creation benefits to the economy.

And we ask you to keep track of a fourth element, and that is those of us who are leveraging other funds in addition to your economic recovery funds to actually develop other partnerships and other leverages in funding, because your dollars alone are not the only dollars going into a lot of our transportation projects and the magnitude of the job creation is even larger when there is a partnership in leveraging with other programs that we may have with the Federal, State, or local amounts.

I think you should celebrate your out-of-the-box program and I think you should take advantage of this momentum as you go into the new transportation bill.

I, too, want to thank the Federal agencies, Federal Highways and Federal Transit in Washington for their early and constant communication about this particular program. And I want to again thank you for the direct inclusion of metropolitan planning organizations in the selection process.

Let's review the work of the MPOs in the first 100 days. Projects are proceeding that have been on hold for years. They are occurring at a time at their lowest project cost. Now I know this is not a coincidence. You would have never created an economic recovery program if, in fact, we had full employment and were in inflationary times.

But you happened to develop, as the Secretary indicated earlier, a very nice timeframe with regard to getting projects to construction, because there is more competition, the project costs are coming in less, and it permits us to build more projects and, obviously, employ more persons as a result.

We are advancing multi-modal transportation projects, not just on the passenger rail but on the goods movement side. There is very close coordination with the States. This is a partnership with the States that you have outlined and we have implemented.

You are helping metropolitan planning organizations of all sizes. We are getting reports that some metropolitan planning organizations are seeing a doubling in their transportation revenue. The selection process is nearly complete with regard to the metropolitan planning organizations. For the larger metropolitan planning organizations that selection has been completed and has accompanied the State reports to you, the 1511 reports, in their selection process.

Transparency is obviously critical. In fact, I think transparency is here to stay. The more transparent all of us in transportation and government are, the more the public will understand what it is we are trying to accomplish, and they will have a greater opportunity to support transportation revenue increases as they have to come in the future. And when there is not transparency, there is concern, and with transparency comes those particular improvements. You have a grassroots approach and we think that is how you develop successful projects.

We encourage the Secretary and maybe even the chairs of this organization to communicate to FHWA divisions and FTA regions now as these projects are moving forward through what is called the bureaucratic process that these projects do not get held up in some nuance with regard to a division or a region as the hard part has been done and now these projects should go into letting.

With regard to Dallas/Fort Worth, let me finish by saying we took great advantage of the second and third elements of the job growth, the capacity and the partnership and leverage. Our region received in sub-allocated amounts and State amounts roughly $400 million and we are moving forward on $3 billion worth of transportation projects in Dallas/Fort Worth through that partnership and leverage, matching rail projects and roadway projects from other funding sources to get these projects implemented.

I want to thank the Texas Department of Transportation who has held weekly conference calls for the last three months getting everyone on board. We are seeing costs in the Dallas/Fort Worth region coming in 20 to 30 percent below engineers' estimates. Again, the timing could not be better. We are now entering that letting process to complete this implementation and encourage the passion that this Committee has is communicated to all people along the line on the importance of getting these projects done.

Several institutional approaches were used to expedite construction. One of our large projects, TxDOT has issued a design-build contract. We have another large rail project where the rail transit agency will be implementing the project. We have another project where the local toll authority will be administering the construction contract. And, of course, TxDOT will be using their regular construction methods.

Our region wants to have a legacy with regard to what it is we are doing. We want people to remember we understand the sensitivity and pressure on you using general funds to implement this program. These are large projects, huge aviation accessibility to major airports, huge safety projects, huge sustainability projects with passenger rail. I personally signed a 1511 certification in order to expedite the transit projects in our particular region at the request of the Federal Transit regional administrator.

Let me end with don't stop here. Maintain this focus on outcome. Keep changing the corporate culture in this town that we have to move from process to outcome. We need to eliminate stovepipes. We need to give States flexibility to solve the people's business. We need sustainable communities. We need sustainable projects. You need to focus on a national transportation system and keep us internationally competitive. That is what is going to continue and grow this particular economy.

And as the Secretary indicated earlier, we do need to fix this recission issue or this is going to look a little weird advancing projects very quickly in the spring and having to hold up projects in the summer. The MPOs and the people at this table stand ready to support you in any way necessary to make sure those recissions are not fulfilled. The MPOs have worked overtime literally to meet your schedule and we stand ready to continue the momentum that you have created.

Again, thank you very much for the invitation to be here today.

Ms. EDWARDS. Thank you, Mr. Morris.

I think we will proceed with questions. I want to say to all of you first of all thank you for your participation today. It has been a long day but a really important one. I think the American people expect us, given the expenditures that have been made, that we really pay attention to where the funds are going, whether the projects are moving forward, whether there are jobs being created. And so your patience is appreciated by the taxpayers as well.

Secretary Biehler, in your testimony you mention that you expect Pennsylvania to receive contract bids for all your highway stimulus projects by the end of August. That is long before the requirement that all funds be obligated within a year. What suggestions and pointers do you have, and especially in your role at AASHTO, what suggestions can you give other States that are struggling to move as quickly as your home State?

Mr. BIEHLER. First of all, I think the States in fact are moving pretty darn quickly just in general. It depends on the kind of projects you have. In the case of Pennsylvania, we concentrated on fix it first projects typically. So $800 million out of our $1 billion are highway and bridge fix it first projects that we knew that we had already cleared through the environmental process or had just barely minor permitting issues left to deal with.

Our watchword also was that a project had to have a design done, or it was okay if it was a design-build project. With design-build, obviously you put it out before the design is finished but you at least have to specify enough detail so that there is a clear and understood project that bidders are bidding on. But in our particular case, as I say, we looked for things that were clearly ready in our opinion. Some other States had projects that were good ones that were going to take a little bit more time. And so they have selected to use the full range of the Act's authority to allow obligations up to and through March of next year. So it is simply dependent on the mix.

In our particular case also, and I a sure other States are doing this, but what we did is dedicate a special group of our construction team that let these projects out and dedicated them specifically to this work. In fact, Pennsylvania this year has a base program of nearly $2 worth of program. This adds another 50 percent. So we are in fact letting $3 billion this year. In fact, in a five month period about $2 out of that $3 billion will be let. So we have just simply pulled out all stops.

But for us the key has been make sure the project was shovel ready. It had nothing to do with the fact that we have a very mean Governor who said if you don't get it done by August you are fired. So that was just another little tidbit there. Our Governor, seriously, really tried to push us to say, look, obviously we want to be responsive. The Governor also, as many of us know, we are on trial in terms of performance getting ready for reauthorization. That was another fact. But in our case especially, the Governor was concerned about getting as much of our unemployed citizens to work as soon as we possibly could.

Ms. EDWARDS. We can try to add meanness to the governing criteria. But I wonder if you could explain also to the Committee how much time it normally takes from the time you obligate a project to putting shovels into the ground. Have you or other States taken this opportunity to try to shorten that process?

Mr. BIEHLER. Yes, we sure have. Again, because they are shovel-ready kinds of projects. Normally we are well over 100 days between those two time frames. We have shortened our bid period, we have shortened the period after we receive bids to review and qualify the bids and award the contract, and then, finally, we have also shortened the period of time between award and notice to proceed.

We also are accompanying our awards with encouragement to the contractors to not wait. If we are telling you because we are awarding you the contract that you have got the job, we are saying do not wait for notice to proceed. That means if you can start ordering materials, it will quicken the actual time between notice to proceed and actually having people on the job. So we have cut a significant amount of time. It was 130 days. We are trying to get it down to under 60 or 70 days.

Ms. EDWARDS. Do you have any sense of what other States are doing, or does ASHTO have a plan? It would be great to have some sense of how that is going because the rap is that it is a process that takes time. And I think what we are seeing demonstrated, in fact, is that when the rubber meets the road and the money is there and the requirements are there, folks can move a little bit faster than they had anticipated.

Mr. BIEHLER. I think that is a good observation. In the case of the various States, they have used whatever their current bidding procedures are to modify wherever they can. So the stories are probably different from various. We would be happy to kind of reach out to our members to identify some of the best practices, if that is useful to the Committee.

Ms. EDWARDS. Lastly, in your testimony you also mention that the Federal Highway Administration noted a substantial variation in how the States certify maintenance of effort with regard to State transportation funding required in Section 1201 of the Recovery Act. Can you describe your State's experience in certifying maintenance of effort?

Mr. BIEHLER. Yes. In fact, we also are one of the States that received a letter just last week from the Secretary pointing out that we may want to in fact modify our maintenance of effort certification because I think the determination in our case was we used language that could be considered qualifying the maintenance of effort, which is not allowed. As a result, we are going back to review our document and will be modifying it on or before the deadline of May 22 to make sure it is in compliance. But we used the typical practice.

Our basic document that we depend on for maintenance of effort determination is our four year transportation improvement program. So over that period of time we make our calculations as to what level of State effort was going to be placed, what funding we expected to commit to over that period of time specified in the Act, and that was the basis of our calculation. But we will in fact, as I mentioned, probably be submitting a modified statement in concert with the Secretary's recent communication to make sure we are as clear as we can possibly be.

Ms. EDWARDS. Thank you. I will yield to Mr. Bozman now. I may have additional questions.

Mr. BOOZMAN. Thank you, Madam Chair.

Mr. Morris, does your association have a general consensus that State DOTs are issuing proper guidance about deadlines, project eligibility, and reporting requirements?

Mr. MORRIS. I would generally, Congressman. I cannot speak for each of the 400 MPOs, but I have not been hearing anything from MPOs with regard to the communication either originally out of Federal Highways or with their State colleagues over the last three months.

Mr. BOOZMAN. You mention in your testimony about tight deadlines and how with the projects some of your partners had rearranged priorities. Can you elaborate on that?

Mr. MORRIS. Well, metropolitan planning organizations are very close to local elected officials. Local elected officials are no different than yourselves. They ask, why does it take so long for transportation products to be built? They have very little tolerance and very little sensitivity to that particular question. So we are always out there eagerly looking for how do we streamline project delivery.

When I say streamline, I am in no way trying to indicate bypassing or not being environmentally sensitive with regard to that particular process.

So in our particular region, one example is what we call a federated approach. TxDOT does a lot of the construction but we have transportation authorities that build it. We don't have a centralized approach because I think a centralized approach can often hurt the procurement process. So the DFW International Airport builds projects and all these things occur in parallel.

Now we are all implementing them off of a common plan but that doesn't mean you have to have a common institutional structure to deliver those particular projects.

In the case of one of our big projects that is actually an interchange, as part of a toll road, none of the toll road sections are being built as part of the interchange, but we said to the toll authority if we were to give you this economic recovery money, does that give you then enough momentum to make that toll road then a viable project? And the answer was yes. So that is an example of partnership and leveraging.

And we said, well, TxDOT's going to be busy building these two large projects over here. Why don't you go ahead and take on the letting of that particular project? So even though TxDOT had environmentally cleared the project and had designed the project, those two organizations are working together and the tollway authority will actually let the project, and in fact it will be let this summer even though it's a project we picked. It will be very much ahead of schedule, and TxDOT is working hard, busy on these other projects as part of their particular process.

We often work in partnership for matches, would be a third example. You often, in our industry the classic example is you're waiting on 10 percent local costs to pay for right of way. And the local community doesn't have the 10 percent. So we have created a public sector credit union bank where the MPO has revenues, and we say to that community, look, you are holding up a $40 million project, and your cost of the 10 percent of the right of way is $500,000.

Why don't we loan you the $500,000 from the public sector credit union bank; you pay us back; and by the way, if there is any cost overages, the MPO has to pay for it. We can save millions of dollars and lower inflation costs by actually working out a partnership program financially with you.

And I think one of the things you are going to hear in the future is what we call a metropolitan mobility authority, and that is this notion that innovative finance within the region across partners may be one of your fastest ways you can build projects.

If the State DOT says, look, we can get to that, but you know, our cash flow doesn't permit us to do something. Could we have a particular amount of money or the transit authority or so and so forth?

The best example I can give you is, you know, we had an up-front toll road that created an up-front payment. We are using that up-front payment, well first of all, to build a passenger rail line without New Start money, but we are actually going to use toll road funds to move a freight railroad track to extend a runway at the Air Cargo Alliance Airport to be paid back by FAA over time.

Now, in the current stovepipe approach that we all have learned and implement, there is no way you could use roadway funds to move a freight railroad track to extend a runway to be paid back with FAA funds.

So I think the theme of your question is, and hopefully as you build momentum towards this storm that you have created of excitement with regard to this, not just financially getting transportation projects built and getting people back to work, but the notion that we can do this in a new accountable way and throw the old time frames away and focus on the people's business, if you can maintain that enthusiasm into the next transportation bill, I think you will be shocked at the innovation that is out there in States, transit agencies and MPOs to do things completely different than they have ever been done in the past.

Mr. BOOZMAN. Thank you.

Do any of the rest of you want to comment? You know, we had the big commission that basically said that the average road time of construction was I think 10 to 13 years, you know, something like that. Can you comment specifically about, you know, what is different now than the commission's finding of the 10 to 13 years to get these projects done?

Now, I know we are moving forward at this point. We have money obligated, but again, what are we doing different now that is going to cause us not to see the delays that, you know, we historically have?

Yes, sir?

Mr. BIEHLER. In the case of Pennsylvania, I can tell you that one of the things that Pennsylvania is doing as we approach projects that are either roadway widenings or relocations or new facilities, we don't have a lot of them, I will tell you, because we have been spending so much money on repairs to our system, but on new ones one of the things we've been asking ourselves is, is there a design that perhaps you don't have to design a road at 65 miles an hour; perhaps you don't need median widths that are 30 feet wide in every case; perhaps you don't need shoulder widths that are significant.

And the question is, if you look at different scales and look at full flexible design sort of opportunities, can you avoid some of those issues that just go on forever and ever and ever, whether it is running into historic property, which are so critical; whether it is running into natural environmental issues; whether you are simply having such a deleterious effect on a community that the community is just, you know, is very upset. Those things really add time.

So one of the things we are doing, using the term smart transportation, our friends in Missouri use the term practical design to look at things a little differently, and still end up with a decent mobility improvement, but look at the fit and design scale to see if in fact you can produce a project that has less of those obstacles.

You get into that, you get into right of way relocation, right of way acquisition, and utility relocation that goes along with that, wow, it is just one layer on top of another on top of another. And in addition, the final issue is the cost. The cost differences can be so significant as to not allow you to do that.

There was one project, I will just tell you, that five years ago had a price tag—it was an eight-mile piece of freeway with three interchanges—our price tag was $465 million. We had already spent $80 million. On one of the TIP updates, I determined there was not a chance in the world, even over the next 20 years, could I deliver this project.

So I kind of went hat in hand to the community and the legislators in the area and said let's have a difficult discussion. I said I can't do this project. And some of those folks had worked tirelessly to try to urge it through.

The bottom line was, we went back and redesigned the project. It is now instead of a four-lane freeway, 80 percent of it is a two-lane arterial, 20 percent is a four-lane facility with a series of upgraded intersections instead of interchanges. We had the groundbreaking in November and a whole lot of folks were singing praises. But to go through that kind of a change was our only way, in this case, of delivering something within a reasonable time frame.

Mr. BARKER. One of the things that I have seen occur both with the folks that work with me at TARC and with the folks at FTA is that there is an excitement because they can get stuff done, and the whole notion of it needs to move, needs to be shovel-ready, needs to get out there, it is about jobs, it is about getting stuff done. It is a whole different conversation than having—well, yes, I know we need to fix that facility, but we have to put this money in capital costs and maintenance so we can keep service on the street.

We now have the resources to move out and do some stuff. And frankly, the folks who work for me don't have many excuses anymore. Come on, this is a project you have wanted to do for years, get it done.

And what we are seeing at FTA is that same sort of enthusiasm about getting stuff through the pipeline, through the process; getting it approved; getting the resources out there, because frankly this is what people got into public transportation for, was to provide quality services, not to keep looking at deteriorating buildings because we can't put money into them because we have to have service on the street. We are now out there being able to do what we got excited about doing.

Ms. MARKEY. Thank you, Mr. Boozman.

Mr. Millea, in your testimony, you explained that on April 14, really just two weeks ago, your board of directors approved 10 Recovery Act-eligible projects requiring $170 million in financial assistance. Do you have some sense right now that these projects have been approved, what do you do next to actually implement them? What is the timeline for carrying out the implementation? And how quickly will construction begin on the 10 projects? And what jobs do you expect? Because this is about jobs and so it is kind of, you know, you have them approved; where do you go next; and then when do you create the job?

Mr. MILLEA. Sure. Really up until yesterday, the biggest obstacle we were facing I think nationwide for all of the SRF administrators was the buy American provisions. And now that we have some clarity on buy American, and we have some guidance on how to approach waivers for buy American, I think we will see all of those projects move forward very quickly, some of which were already in construction.

One project in Middletown in Congressman Hinchey's district had already proceeded to construction and we needed the clarity to see if it really could be an ARRA-eligible project, and I believe it can be. A project on Long Island I believe will be shovel-ready within several weeks. The two rural communities I mentioned are bid-ready, and we were just waiting again for clarity on buy American.

So that was really a logjam for all of us, I think EPA and the SRF administrators, and now that has been broken, we can move very quickly with those 10 projects to get them, maybe not all of them, I think one of the larger projects in Westchester is going through some serious design issues with nitrogen removal for Long Island Sound, a very important project. It won't be weeks, but it could be months, but the remainder, the other nine projects will be weeks and not months.

Ms. MARKEY. I think it will be helpful for us to hear, you know, now that you have the guidance on the buy America provisions and you are able to move forward, whether that guidance is really what you expect and need to go forward. I think we will be interested in hearing, you know, in another 30 days down the line that, you know, really the logjam has been broken.

I don't know, Secretary Biehler, whether this is a problem that other States have had as well in their implementation.

Mr. BIEHLER. Yes, not that I am aware of.

Mr. MILLEA. The buy American, if I could just add, buy American was brand new for the water space in particular, and EPA. So it is something that I think our transportation friends were very familiar with. It is something that has been built into their processes over generations. For as the water space, as just a financing entity, we don't even run the projects, it is something that is very new to us, but we certainly understand the Chairman's point he made earlier today on why this is important to the Committee and Congress, and we are committed to moving forward with it. I look forward to, either myself or another State, reporting back in 30 days that what has been committed to in the guidance is being executed in a timely manner and we can move forward.

Ms. MARKEY. Thank you.

And lastly, Mr. Millea, you note also in your testimony how the New York State Environmental Facilities Corporation is asking all Recovery Act-funded clients to award their construction contracts no later than January 1, 2010, approximately a month and a half prior to what is required by law.

Given that appropriations for State revolving fund programs are historically spent slowly, how is your State working to meet the requirements in the Act? And what lessons can you give to other States who struggle to meet this use it or lose it deadline?

Mr. MILLEA. I think the grant funding is really the incentive. You know, with the grant funding, which we have not had since 1987 really, will come some requirements. And those communities that can achieve compliance with those requirements will benefit from that grant funding. And it is a very easy message to deliver.

We don't want to hear complaints. We don't want to hear people say I can't do it. We have such a large queue of eligible projects that if they are not ready this month, they may be ready in six months, and if one of our top tier projects that are ready to go right now for whatever reason falls off, I am very confident that we will have projects that will be ready to go if that time comes on January 1 that we don't have a compliant project.

So we are keeping people ready to go even if we do run out of funding, and that is based upon potential reallocation. That is based upon a potential failure of one of those 10 and future projects that we approve, and also based upon our hope that the President's appropriation is accepted by Congress and that we have a very healthy appropriation next year through the reauthorization, and that those projects that are queued up can get funding in the 2010 IEP.

So we are telling everybody not to lose hope and to stay ready.

Ms. MARKEY. Well, several of you have mentioned, you know, the work that we have yet to do on reauthorization, and we will take that into consideration, not for the purposes of this hearing, however.

Mr. Barker, you mentioned in your testimony that both equipment purchases, the 10 hybrid electrical buses and direct construction projects that you have made with the Recovery Act funding. And I wonder from your experience, does one type of project move more quickly in creating jobs than another? And if you could describe a few of the awards and the challenges associated with both types?

Mr. BARKER. Well, I think the construction jobs are—it is clearer to see the result of those on a local level, because frankly that is where the bids are coming from. We were astounded by the response. We had at our first pre-bid on one of the construction projects, we had standing room only. We had 51 people representing 47 firms. That ended up in seven bids, and they were all under budget. Folks are hungry to do that.

We are pursuing a time table where we will have groundbreaking on each of those the first week in June. This is what we hope to have.

The result from the buses, and purchasing buses is perhaps a little more diffuse, a little bit more subtle, but Gillig, the corporation we are buying those buses from, has already hired an additional 30 folks, and they have already started to place some preliminary orders around the Country for the various components for those buses.

As I mentioned, the engines and the drive trains are made in Indiana. The seats are made in Michigan. There are other components in Ohio, and keep going. In fact, what APTA has put together is a diagram of a bus that illustrates the various components from windows, seats, engines, frame, the whole bit, that then shows where those components are coming from. It is very well distributed across the Country. So the impact of bus purchases is going to be tremendous in virtually every corner of the Country.

Ms. MARKEY. So when you point out the 227 jobs created for your State, you may not even be including the jobs that are created, say if you purchased the buses, the jobs that are created downstream or upstream.

Mr. BARKER. Those 227 are related to the four construction projects. That does not include the buses, and doesn't include some 29 jobs that are being saved because we are able to utilize the money as capital cost to maintenance. We are spending about $1.2 million on capital costs to maintenance, which has a direct impact on operations, keeps service on the street, and keeps 29 bus operators and mechanics working, doing what they do best.

Ms. MARKEY. When I read in your testimony that you are planning to apply for $2 million from the $110 million Transit Investment Greenhouse Gas Energy Reduction program to put solar panels on your bus barn roof, very exciting project, I must say.

Mr. BARKER. It is.

Ms. MARKEY. Do you think other transit agencies are aware of this kind of program to reduce energy consumption and greenhouse gas emissions and the efficiency that that is creating for you?

Mr. BARKER. Well, the FTA has had two Web sites, two webinars related to that program. And up in the corner of the screen there is a little counter about the number of people who are online during those, and that has been up 100, 150, 175. So folks are aware of this.

But this project is exciting because what we are doing is replacing a 30-year old roof, which is the equivalent of six football fields, and every time I fly back into Louisville, if I sit on the right side of the plane, I can see this expanse of tar that is doing nothing. I can't wait to see solar panels on it, regenerating electricity.

We were estimating it is going to save us tens of thousands of dollars on an annual basis. We have already talked with Louisville Gas and Electric, and any spare electric that we may generate they would be happy to buy.

Ms. MARKEY. Well, that is pretty exciting. We may have to figure out a way to visit that bus barn.

Mr. BARKER. Please come on down.

Ms. MARKEY. Thank you very much.

Just a couple of questions for you, Mr. Morris. In your testimony, you mention how you support complete transparency and public involvement. You spoke about that in our oversight. You also note how reporting from a single State agency has worked well.

To what extent has the North Central Texas Council of Government coordinated with the State of Texas also to ensure accurate reporting? And how much is your MPO tracking project funded with Recovery Act dollars?

Mr. MORRIS. Well, I think it is really important to point out that whenever something new comes along, those institutions that have good working relationships will shine. And those that don't have good institutional relationships, you are going to see some sort of problem.

MPOs and the Texas DOT have been strong partners for 25 years. So when a new initiative comes along, we talk on our conference call. What we are steering at is a family of four who the two parents have just been told that they lost their jobs, or are ready to lose their jobs, and you have this—and by the way, I think you see it with this panel today.

Our job is to help you perform the Nation's business of getting these people back to work. And it is a very transparent process. TxDOT gets on the phone every Monday. Okay, where are we? They started off to be, you know, a heavily sort of a roadway maintenance notion. We talked about the secondary tertiary benefits of greater job growth with larger capacity projects. Oh, we are nervous if we do a lot of those; they won't meet Congressional intent; let's sort of see if we can get it.

And it is just a weekly, okay, how did you make out? Okay, who doesn't know how to do what? Okay, this MPO will help that MPO, or this person will help that.

And I have to give TxDOT a lot of credit. We have been on the phone every Monday since January. What do we do, common format reporting. We have a single signatory to a 1511 on all of our transportation projects because of Federal Transit Administration's interest, the regional administrator is to advance some rail transit projects where maybe the State was heavily looking at the roadway side.

They asked me to sign a 1511 to permit the rail projects to proceed quicker. The State has no problem with that. If more people want to sign to ensure compliance, that is great.

But you know, as commented earlier, Federal Highways did a great job of early communication to the States and MPOs, and the States I think have worked very hard because you see this family of four saying, okay, let's get after the people's business here. How do we all work together?

And you know, we are doing it with salaried employees that are working weekends. It is not an additional cost. I am sure that TxDOT—I am sure the DOT employees across the State have worked nights and weekends to meet your requirements.

I don't think we perceive a huge administrative cost in order to meet your compliance. You know, there are papers that have been written to keep track of employment as a performance measure in our profession for some time. There are ways to dust that off, and there are tools that are available to look at what I think are secondary benefits of job growth that should be included as part of the process.

Ms. MARKEY. And so your experience, though, is that in terms of both the State and the reporting requirements for the MPOs that at any point in time, you should be able to tell the Department of Transportation, or even this Committee, here is where we are in terms of these projects, the money that has gone out, the jobs that have been created or saved, because you are tracking those things.

Mr. MORRIS. Absolutely. And that will meet your requirements of these direct employees, and you have contractors on the transit and roadway side, keep track of who they actually hire and so on and so forth.

But I do suggest to you that there are larger jobs being created because for every construction worker that is hired, there are two or three jobs, as you know, of other workers. They need shoes. They need clothes. There are secondary effects. They eat lunch. They need health insurance.

And you know, you have tools. You have input-output models in this Country and RIMS II multipliers, and you have whole big buildings here that keep track of input-output models and transactions. I suggest to you to have conversations, so as you get into the reporting to this Nation and to this President with regard to what really happened, and you have economists that have been nervous about the role of transportation, we are advocates of transportation so we want full implementation of our impacts, so we can quell the critics who claim infrastructure should not have been included in this.

We suggest to you that there is lots more job creation. So yes, we are more than happy to keep track of the rudimentary statistics, but we suggest to you, Madam Chair, there is actually secondary and tertiary benefits that are occurring from either capacity improvements or the manufacturing of buses, and even water projects that are here on this panel.

Once we get these projects moving, I think we should stop and take a breath and actually work on the mechanics of the employment estimation and have its own peer review on how we are calculating that. So you have the benefits of the direct jobs, but the indirect job that I believe are being created through the leadership of that this Committee has taken.

Ms. MARKEY. Well, thank you. And I know you know from our Chairman you are going to get little argument from this Committee about the value of investment in infrastructure for job creation.

I would just like to ask you lastly, you heard Secretary LaHood's testimony earlier, I presume, about what their thinking is on the high speed rail funding. Do you have any comments about that? Do you have some sense of how the MPOs might serve as players in those programs?

Mr. MORRIS. Yes, I believe again the MPOs and the States need to play a larger role. I think in some States, State DOTs are very connected. In some States like mine, the State DOT isn't highly connected. MPOs are playing a lot of a particular role. We are encouraging the State to take a stronger role.

We are going to have an event in East Texas in two weeks, where we are bringing in representatives from congressional delegations in Arkansas, Louisiana, and Texas, from Little Rock to Tulsa to Dallas-Fort Worth to San Antonio and Austin. And develop basically a grassroots transparent exercise to advance high speed rail on Amtrak corridors that are already in the national plan—we have one that goes to our region—and continue to explore abilities of advancing that particular program.

But you know, it can be a little ad hoc. Sometimes States are involved. Sometimes MPOs are involved. Sometimes railroad commissions are involved in that. You have to get the private sector class I railroads.

Talk about a grassroots effort. You are going to see I think lots of grassroots efforts in this Country. I get excited about the opportunity that is there, both the eight million plus the five million initiatives. And I think it is important to again engage those citizens. You have citizens in East Texas that their biggest hope is to create high speed rail investments to go to large metropolitan regions, to go on planes, to travel to see their family. There are elements of the transportation system, logistics of that transportation system that are coming out now only because of the revenue that has come about.

MPOs are now meeting with rural districts to work on the integration of these high speed rail investments.

Ms. MARKEY. And of course, you heard from Secretary LaHood earlier that this is about the beginning of a system. So I think we are all looking forward to that.

Mr. Barker, you had a comment? And then I will yield to Mr. Boozman.

Mr. BARKER. Yes. APTA has formed a task force looking at high speed rail principles for just the points that Michael has made in terms of facilitating the development of that whole system. I think it is going to be a very exciting time. That $8 billion for high speed rail is a tremendous start payment to looking at how folks travel in this Country differently. And the reality at the end is it is going to benefit public transportation because as that high speed train pulls in, those folks have got to have a distribution network, and they have to have a way to get to the train. So it is going to be exciting times, I think.

Ms. MARKEY. Mr. Boozman?

Mr. BOOZMAN. Thank you, Madam Chair.

I really don't have any more questions. We appreciate your all being here and your testimony, both your written testimony and then today has been very, very helpful.

Thank you.

Ms. MARKEY. Thank you.

And again, thank you for your patience and your insight, and we look forward to continuing to hear from you.

The Committee is adjourned.

[Whereupon, at 6:05 p.m. the Committee was adjourned.]

Statement of the
Honorable John Boozman
Full Committee Hearing
"Recovery Act: 10-Week Progress Report for Transportation and Infrastructure Programs"
Wednesday, April 29, 2008

- Thank you Mr. Chairman for holding this important hearing.

- Whether you voted for the American Recovery and Reinvestment Act or opposed the legislation, we in Congress have the responsibility to ensure the money is spent for its intended purposes. Since the stimulus bill shortchanged infrastructure investment we have to conduct rigorous oversight on the allocation of these scarce resources.

- In some cases, Congress did a poor job of picking and choosing which programs to fund. While I am supportive of the use of floodplain easements as an agricultural tool, I question the stimulative impact of the United States Department of Agriculture spending $140 million to purchase these lands as they will provide few jobs and even less economic benefit. Unfortunately, the Natural Resources Conservation Service, an agency under the jurisdiction of this Committee, was not invited to this hearing.

- In other cases, the Administration seems to be rushing money out the door with little control over how the money is to be spent. The National Oceanic and Atmospheric Administration is proposing to spend almost $170 million on marine and coastal habitat restoration with little or no rules as to how the money is to be spent, leading to more questions as to how these projects will provide jobs and stimulate economic development. Unfortunately, the National Oceanic and Atmospheric Administration, an agency under the jurisdiction of this Committee, was not invited to this hearing.

- Most egregious is Office of Management and Budget (OMB) Director Peter Orszag until yesterday withholding almost $5 billion from the Army Corps of Engineers to construct flood damage reduction projects, navigation projects, and other critical infrastructure projects. The American Recovery and Reinvestment Act was signed into law more than 2 months ago, yet not a dime has been obligated by the Army Corps of Engineers, in direct contravention of the law.

- Thank you Mr. Chairman for holding this important hearing and I look forward to hearing from the witnesses.

QUESTIONS OF
THE HONORABLE RUSS CARNAHAN (MO-03)
HOUSE TRANSPORTATION AND INFRASTRUCUTRE COMMITTEE

Hearing on
Recovery Act: 10-Week Progress Report for Transportation and Infrastructure Programs

Wednesday, April 29, 2009 11:00
2167 Rayburn House Office Building

For Barry Barker (testifying on behalf of American Public Transportation Association)

In metropolitan St. Louis, that I represent, recently Metro has been forced to implement service cuts and layoffs because of shortages in state and local revenues. This comes at the same time more Americans are relying on public transportation. Metro is not unique in being forced to cut service and make layoffs. The Recovery Package included approximately $46 million in funding for the St. Louis metropolitan area for transit capital assistance. However, what they truly need assistance with is operating expenses. I don't think St. Louis is unique in this regard. Would public transit agencies benefit from being able to use their federal transit funds for operating expenses? If not, all of their federal transit funding at least a percentage for the short term as state and local governments shore up shortfalls in revenue?

Russ Carnahan

John Hall

REP. JOHN HALL (NY-19) TESTIMONY QUESTIONS
SUBMITTED FOR THE RECORD: APRIL 29, 2009.

QUESTIONS FOR ADMINISTRATOR JACKSON AND SECRETARY LAHOOD:

1) SECRETARY LAHOOD AND ADMINISTRATOR JACKSON: THANK YOU BOTH FOR BEING HERE AND FOR WORKING SO HARD TO GET RIGHT THE INFRASTRUCTURE PART OF THE RECOVERY ACT, WHICH IN MY OPINION IS THE PORTION OF THE RECOVERY ACT THAT WILL CREATE THE MOST JOBS. THE PRIMARY INFRASTRUCTURE COMPONENTS OF THE RECOVERY ACT FOR THE MOST PART USED EXISTING FORMULAS AND PROGRAMS TO DISTRIBUTE FUNDS. THE RESULT WAS AN ENORMOUS AMOUNT OF MONEY, IN SOME CASES AS MUCH OR MORE THAN THE NORMAL PROGRAM FUNDING, DELIVERED TO YOUR AGENCIES WITH A VERY STRICT TIMELINE TO SPEND DOWN THE MONEY. SO FAR, THAT SEEMS TO BE WORKING. AS THIS COMMITTEE LOOKS TO REAUTHORIZE BOTH THE SURFACE TRANSPORTATION PROGRAM AND WATER INFRASTRUCTURE PROGRAMS AT THE EPA, COULD YOU EACH TELL US ABOUT SOME LESSONS LEARNED THAT WE MAY WANT TO INCORPORATE INTO FUTURE LEGISLATION. FOR EXAMPLE, DOES

THE 120 DAY "USE IT OR LOSE IT" LANGUAGE MAKE SENSE IN EVERY BILL?

2) ADMINISTRATOR JACKSON, I WANT TO THANK YOU IN PARTICULAR FOR WORKING SO CLOSELY WITH NEW YORK EFC, WHOSE PRESIDENT MATTHEW MILLEA IS JOINING US TODAY. IN MR. MILLEA'S TESTIMONY, HE PRAISES YOU AND YOUR TEAM FOR SWIFTLY AND COOPERATIVELY DEVELOPING CRITERIA AND DEFINITIONS FOR THE "GREEN INFRASTRUCTURE" SET ASIDE WITHIN THE WATER INFRASTRUCTURE SECTION OF THE RECOVERY ACT. MY QUESTION IS THIS: ARE THESE DEFINITIONS AND GUIDANCES TRANSFERABLE TO OTHER AGENCIES OR DEPARTMENTS, AND, IF NOT, WHAT MECHANISMS CAN WE SET UP EITHER THROUGH THE REGULATORY PROCESS OR THROUGH STATUTE, SO THAT WE CAN QUICKLY AND EASILY GET GOOD GREEN INFRASTRUCTURE BUILT AS PART OF OTHER PROGRAMS. IT WOULD BE A SHAME IF WE DID NOT TAKE ADVANTAGE OF SOME OF THE WORK YOU HAVE DONE IN IMPLEMENTING THE RECOVERY ACT IN, FOR EXAMPLE, THE UPCOMING SURFACE TRANSPORTATION BILL.

STATEMENT OF
THE HONORABLE EDDIE BERNICE JOHNSON, CHAIRWOMAN
SUBCOMMITTEE ON WATER RESOURCES AND ENVIRONMENT
HEARING ON "RECOVERY ACT: 10-WEEK PROGRESS REPORT
FOR TRANSPORTATION AND INFRASTRUCTURE PROGRAMS"
APRIL 29, 2009

EBJohnson

Thank you, Mr Chairman, for holding this hearing on the first ten-weeks of implementation of the Recovery Act.

I would like to take this opportunity to welcome the newest Administrator of the Environmental Protection Agency, Mr. Lisa Jackson, to the Committee this morning. It is a pleasure to welcome you to the Committee, and I applaud you on the actions already taken by this administration to alter the environmentally-challenged policies of the previous administration. I look forward to working with you on a wide variety of Clean Water and environmental issues over the next few years.

I also welcome the Principal Deputy Assistant Secretary of the Army for Civil Works, Terrence Salt, who will appear on the second panel here this morning.

Mr. Chairman, I continue to be a strong supporter of increased investment in our nation's system of infrastructure.

Whether it is investment in meeting the ever-growing wastewater-infrastructure needs facing this nation, investment in the nation's water-related infrastructure needs through the U.S. Army Corps of Engineers, or investment in our network of roads, bridges, and transit systems, the Recovery Act represents a significant renewal in the long-term economic vitality of the United States.

For too long, this nation has sat idly by while its infrastructure fell into disrepair, threatening public safety and the health of our communities and environment.

In part, this was the result of the failed philosophy of the previous administration that ignored the warning signs on our decaying infrastructure, and squandered opportunities early in his administration to invest in the economic well-being of the nation. The consequences of this short-sightedness can be witnessed through pictures of a flooded New Orleans or the tragic bridge collapse in the state of Minnesota.

Thankfully, through the hard-work of our Chairman, Mr. Oberstar, and the commitment of our new President, Mr. Obama, we can use today's hearing as an opportunity to showcase the benefits of reinvestment in our nation's infrastructure – not only in terms of quality of life, but in terms of jobs created here in the United States.

Mr. Chairman, I would agree that there have been some speed-bumps in getting Recovery Act funds out the door, and I, for one, would like to see the rate of expenditures continue to increase.

However, I would also applaud the hard work and dedication of the witnesses here this morning. They have a daunting task in meeting the goals laid out through the Recovery Act, but I believe they remain committed to meeting these goals, and ensuring that this significant increase in infrastructure investment will be carried out in a way that the American people will approve.

I welcome the witnesses here this morning, and look forward to their testimony.

Congressman Dan Lipinski
Committee on Transportation and Infrastructure
April 29, 2009

<u>Question for the Record</u>

<u>1st Panel - EPA Administrator Lisa Jackson</u>

Administrator Jackson, in remarks at the National Press Club earlier this month you called the Clean and Drinking Water State Revolving Funds the "meat and potatoes of water protection." I couldn't agree more. And while this is true around the country, it is especially true in the Great Lakes region, where we have one of our nation's true environmental and ecological treasures coupled to an aging water and sewer infrastructure.

So I was pleased to see that the President's budget request of $3.9 billion was a substantial increase over the kind of requests seen under the previous

administration, and I hope that you will continue to fight for robust funding in future budgets.

With regard to the stimulus bill, state agencies, such as the Illinois EPA, have indicated that additional direction from US EPA would be helpful in following through and effectively implementing the new reporting requirements, such as job creation numbers. Can you tell me where you are at in terms of issuing guidance for job creation numbers and other new reporting requirements?

Mike E. McMahon

Statement of The Honorable Michael E. McMahon
Transportation and Infrastructure Committee
April 29, 2009
Recovery Act: 10-Week Progress Report for Transportation and Infrastructure Programs
2167 RHOB

Thank you Chairman Oberstar, Ranking Member Mica -- and a special welcome and congratulations to our great new Secretary of Transportation Ray LaHood and our superb EPA Administrator Lisa Jackson. I look forward to working with both of you in the years ahead.

The Recovery package that we passed in February was a critical a part of our effort to get people back to work and to jumpstart our economy.

Many of us in the Congress pushed to increase the size of the infrastructure portion of the stimulus package – in fact my colleague from New York, Mr. Nadler and I sponsored an amendment to increase mass transit funding by more than 30%. Unfortunately our friends across the Capitol cut that amount back in conference despite the widespread consensus that our transportation investments are essential to get America moving again.

But as we all know the transportation funding in the stimulus bill – as important and as large as it is – is just a drop in the bucket to repair our crumbling transportation network and give America a truly first rate world class system.

Just this past week, one of the bridges in my district started to collapse upon the Staten Island Expressway, putting lives at risk and ensnaring traffic for thousands and thousands of commuters.

My district also has some of the longest average commute times in the nation – with people travelling more than an hour and 30 minutes each way to work.

The American people deserve better – and I urge you Mr.Secretary, Chairman Oberstar as well of all of my colleagues to use our upcoming SAFTEA-LU reauthorization to rebuild our crumbling roads and bridges, our train lines and transit networks in the years ahead.

We have deferred investments in this area for far too long – so I urge all of us to use this opportunity to think big and show some real leadership here.

On the environmental side, we also have a great deal of work to do. Again, we made some important down payments to beef up the Superfund and remediation programs of the EPA, but so much more needs to be done.

As most of you know, I have the honor and privilege of representing Staten Island and Brooklyn, NY. Staten Island in particular has some suffered from a great deal of environmental abuse over the years. For at least 50 years, we were literally the city's dumping ground at Fresh Kills – perhaps the largest municipal sanitation landfill in the world and, with the Great Wall of China, one of the few manmade landmarks you can see from outer space!

But we also have far more toxic sites, like Brookfield, and industrial waterfront sites that are in desperate need of remediation and federal attention. And there are sites across the country that must be addressed to protect public health.

Harry E. Mitchell

Statement of Rep. Harry Mitchell
House Transportation and Infrastructure Committee
4/29/09

Thank you, Mr. Chairman.

The American Recovery and Reinvestment Act, H.R. 1, is making important investments in transportation and infrastructure. States like Arizona will receive funding for planned highway, bridge, transit, and other infrastructure projects that are ready to go.

In Arizona, we will ultimately receive approximately $650,000,000, including about $522,000,000 in funding for Highways and Bridges and $100,000,000 in Transit Capital.

These critical investments in transportation infrastructure will stimulate the economy in the short term by creating over a million jobs nationwide and will help keep the economy growing in the long run by providing infrastructure that encourages commerce and economic activity.

I look forward to hearing more from our witnesses on the progress to date on implementation of the American Recovery and Reinvestment Act.

I yield back.

ELEANOR HOLMES NORTON
DISTRICT OF COLUMBIA

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEES:
CHAIRWOMAN
ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS, AND EMERGENCY MANAGEMENT
AVIATION
WATER RESOURCES AND ENVIRONMENT

Congress of the United States
House of Representatives
Washington, D.C. 20515

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
SUBCOMMITTEES:
FEDERAL WORKFORCE, POSTAL SERVICE, AND DISTRICT OF COLUMBIA
* COVERS DISTRICT OF COLUMBIA ISSUES

COMMITTEE ON HOMELAND SECURITY
SUBCOMMITTEES:
TRANSPORTATION SECURITY, AND INVESTMENT PROTECTION
EMERGENCY COMMUNICATION, PREPAREDNESS, AND RESPONSE

STATEMENT OF
THE HONORABLE ELEANOR HOLMES NORTON
APRIL 29, 2009
FULL COMMITTEE HEARING
STATUS OF IMPLEMENTATION OF THE RECOVERY ACT (P.L.111-5)

The American Recovery and Reinvestment Act of 2009 (P.L. 111-5) ("Recovery Act"), signed into law on February 17, 2009, provided $5.55 billion for the General Services Administration (GSA), within the jurisdiction of the subcommittee on Economic Development, Public Buildings and Emergency management, which I am honored to chair. Congress provided $4.5 billion to convert federally owned GSA buildings into high performance green buildings. In addition, GSA received $300 million for border stations and land ports of entry, and an additional $750 million for repair, alteration and construction of federal buildings and courthouses, of which $450 is allocated to the new DHS headquarters project located on the St. Elizabeths campus in the District of Columbia.

In the stimulus package, the administration and the Congress focused on GSA's backlog of repairs to maintain its vast inventory. The repair backlog has grown exponentially, and with it, needless spending for inefficient energy sources. These GSA provisions embody administration and congressional priorities on energy efficiency and climate change. The GSA provisions require that its projects in 50 states and the District of Columbia and the territories - all now listed online - contain a significant energy component, to move federal government procurement to a leadership position for energy efficient buildings and to allow taxpayers to receive the rewards of lower energy costs. The congressional focus on the repair and alteration of existing federal buildings will also help preserve the valuable federally owned inventory for occupancy and other vital needs. Further and importantly, providing jobs that stimulate the economy is a primary purpose of the bill. Our subcommittee staff has worked closely with GSA to assure that its Recovery Act repair and rehabilitation projects can be implemented quickly while providing many jobs at a variety of skill levels.

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As the chair of a major infrastructure subcommittee working for job creation, I could not help but note that the training deficit in construction could guarantee that federally funded infrastructure jobs would go to already trained, mostly white male construction workers, who have faced a long period of unemployment and have one of the highest unemployment rates as a sector in the country. Considering the steep rise in unemployment for minorities, women and whites alike, however, the last thing the country needed was racial tension.

I believe we have taken steps to avoid this division among union workers and allied minorities and women. It is consistent training that has been the major barrier, for minorities and women in construction. There are too few journeymen, apprentices and other trained workers for many of the trades. Yet, it would be a tragic missed opportunity to mount a major national infrastructure program with unprecedented funding focused on job creation without a major, well-designed component of pre-apprenticeship and apprenticeship that can lead to high-paying journeymen jobs. If we are vigilant, however, the economic crisis, which has created the worst of times for groups that had been excluded, can also create opportunities. We got off to a good start in this Recovery Act when we included $3 million for on-the-job pre-apprentice and apprenticeship training in the GSA section of the bill and $20 million for training in the Highways section. The training money in the GSA section raises several issues, because the amount is so small, about where the money can be spent, effective training with this bill and models for the future. It is our hope that even these small starts will create effective partnerships between GSA and local jurisdictions to continue these training programs. For over a decade the highways training funds have gone virtually unused. States have had the option of using one-half of one-percent of their highway dollars on training, yet over the last two reauthorizations only fourteen states have availed themselves of this opportunity. We are going to seek to correct this failure in the upcoming reauthorization, making these funds a mandatory part of distributions to the states. We cannot stand idly by while some are left out of these large amounts provided for transportation and infrastructure.

Mr. Chairman, I am having my Tracking Hearing Number 2 next Tuesday May 5th where GSA will present more detailed testimony regarding the execution of the American Recovery and Reinvestment Act (ARRA). GSA is on schedule to have over a billion dollars in projects, focused on high-performance, energy conservation and renewable energy, obligated within 120 days of enactment of ARRA per the requirements. Our subcommittee has a special obligation to conduct frequent oversight hearings on GSA recovery funds because, unlike most other provisions of the Act, there is no state agency administering the federal dollars. Rather the GSA provisions fund federal priorities for repair, energy conservation and taxpayer savings. In order to assure a rapid roll out of the funds, GSA has established a special program management office. This office will handle compliance, risk management, acquisition policy, reporting requirements and other matters. I look forward to hearing from Acting Administrator Paul Prouty and to learn of the agency's progress in execution of recovery fund and to the detailed report we expect at our subcommittee hearing next Tuesday.

STATEMENT OF THE HONORABLE TOM PRICE (R-GA)
SUBCOMMITTEE ON HIGHWAYS AND TRANSIT
HEARING ON *"HIGH PRIORITY PROJECT PROGRAM"*
APRIL 28, 2009

Thank you Chairman Oberstar and Ranking Member Mica for allowing Members of Congress an opportunity to discuss and share information regarding the High Priority Project (HPP) program. Once again, the Committee on Transportation and Infrastructure is taking on an immense task of not only reauthorizing the surface transportation legislation but also prioritizing our nation's infrastructure needs. I commend you on this effort and appreciate an opportunity to highlight a particular issue.

As noted in the April 2, 2009 letter sent to Members of Congress, this Committee is committed to treating communities equally in the decision-making process. The purpose of my statement is to ensure this commitment is extended to all Members of Congress, including those who abstain from submitting HPPs.

As one who has taken a pledge not to make congressional earmark requests, I will not submit HPPs for the surface transportation legislation. However, it is important that the State of Georgia and my congressional district is not penalized. For this, I request that the Committee allow the Georgia Department of Transportation access to the funds through the bill's formula-driven framework that would otherwise have been available for HPPs, without it being divided among other Member allocations.

There are a number of projects within the Sixth Congressional District of Georgia which would qualify for federal funding under the criteria outlined by this Committee. And, the Georgia Department of Transportation, in the attached letter, has made assurances that allocated money would go to projects approved in an existing or future State Transportation Improvement Program.

In closing, sound investment in our surface transportation system is absolutely critical to the economic success and stability of our nation. And the Sixth Congressional District of Georgia, with its tremendous growth and development, is no exception. This request treats my community equally in the decision-making process so it can meet its transportation and infrastructure challenges.

Gerald M. Ross, P.E., Commissioner/Chief Engineer

DEPARTMENT OF TRANSPORTATION

One Georgia Center, 600 West Peachtree Street, NW
Atlanta, Georgia 30308
Telephone: (404) 631-1000

May 13, 2009

The Honorable Tom Price
U.S. House of Representatives
6th Congressional District
424 Cannon House Office Building
Washington, D.C. 20515-1006

Dear Congressman Price:

The Georgia Department of Transportation fully endorses your decision to direct High Priority Project funding allocated for your district in the next surface transportation reauthorization to this agency. We commit to using such funding for projects in a State Transportation Improvement Program (STIP) and that are located in the sixth congressional district.

To be included in a STIP, a project must be developed according to federal planning and programming requirements; so they are fully vetted for positive contributions to congestion reduction, safety, mobility, economic development and environmental quality. GDOT provides for public participation in the development of each project in the STIP, commonly as part of the environmental assessment process, and for projects in urbanized areas, in the development of the local Transportation Improvement Plan (TIP).

Sincerely,

Angela T. Alexander

Angela T. Alexander
Director of Planning and Transportation Data

ATA:lsr
cc: Honorable Brandon L. Beach, State Transportation Board Member, Congressional District 6
Gerald M. Ross, P.E., Commissioner/Chief Engineer
Steve Henry, Chief Operating Officer
Dan Gentry, Federal Policy and Congressional Liaison
Bradford Swann, Governor's Director of Federal Affairs

Testimony of

Dennis Alvord
Acting Deputy Assistant Secretary of Commerce for Economic Development

Economic Development Administration
1401 Constitution Avenue, N.W.
Washington, D.C. 20230
202-482-2900

U.S. House of Representatives, Committee on Transportation and Infrastructure
April 29, 2009

Testimony by
<u>**Dennis Alvord**</u>
Acting Deputy Assistant Secretary of Commerce for Economic Development
Economic Development Administration
U.S. House of Representatives, Committee on Transportation and Infrastructure
April 29, 2009

Introduction

Chairman Oberstar, Ranking Member Mica, and members of the Committee, thank you for this opportunity to testify on behalf of the Economic Development Administration (EDA). Since 1965, EDA has provided grants for planning or infrastructure to distressed communities aimed at creating jobs and generating private investment dollars. Throughout our history, EDA has worked tirelessly in both robust economic times and in times of economic decline. However, with the nation facing economic conditions unseen since the Great Depression, EDA's assistance to local communities may be needed now more than ever.

On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act of 2009 (Recovery Act, or the Act). The Act's primary purpose is to stimulate economic recovery by making investments that preserve and create jobs, spur technological advances, and improve infrastructure that will provide long-term economic benefits. In many ways, the Act is an extension of EDA's existing mission, which is to lead "the federal economic development agenda by promoting innovation and competitiveness, and prepare American regions for growth and success in the worldwide economy". For more than 40 years, EDA has built infrastructure and made strategic investments in communities that have established a legacy of economic renewal characterized by long-term job creation, private sector investment, and innovative economic development across the nation.

EDA has adapted our existing grant programs to meet the Act's goals and requirements and to comply with its intent. Of the $150 million provided to EDA in the Act, the bureau intends to fund at least $135 million in public works grants which support "brick and mortar" infrastructure investments. As we do in our regular programs, EDA will give preference to projects that have the potential to stimulate job creation, promote regional economic development, and encourage innovation and entrepreneurship, such as investments that support science and technology parks, industrial parks, and business incubators.

Because the Act calls on EDA to "give priority consideration to areas of the nation that have experienced sudden and severe economic dislocation and job loss due to corporate restructuring," EDA has decided to allocate funding to the regional offices using a hybrid of its traditional allocation formula. EDA's proposed allocation drops lagging economic indicators in favor of a single allocation metric, three-month unemployment figures, as a way of ensuring that the most contemporary unemployment data available are used to characterize current economic conditions for the purposes of EDA's allocation.

Furthermore, EDA will work closely with the federally authorized regional commissions to identify infrastructure and other grant investments to be considered during EDA's competitive review of prospective Recovery Act applications. Alternatively, EDA will consider transferring funding directly to the regional commissions, to assist with implementation of projects consistent with the intent of the Act.

EDA's longstanding policy and practice is that responsibility for the selection, oversight, and administration of grant awards rests with its six regional offices. Accordingly, the selecting officials for all awards made with EDA's Recovery Act funds will be the six regional directors. This regional system allows EDA's field-based staff who are most familiar with the current economic conditions in their states to advise the directors on what projects to prioritize and award under the Act. Having staff on the ground who are living and working in many of the communities most severely impacted by the current crisis will help EDA make investments quickly, but not hastily, and help us maintain the bureau's reputation for superior customer service.

Since March, EDA's six regional offices have developed extensive pipelines of potential Recovery Act projects. Our goal is to fully obligate EDA's Recovery Act funding by September 30, 2009, a full year in advance of the funding expiration. Indications are that we are well on our way to achieving this goal. Most EDA regional office Recovery Act pipelines meet or exceed anticipated allocations – one region has a pipeline more than double its anticipated available Recovery Act funding. The prospective grant investments that have already had some review range in size from less than $200,000 to over $4 million and include a strong mix of 'construction ready' critical infrastructure improvements such as access roads, rail spurs, port improvements, and water and wastewater facilities, as well as cutting-edge investments in business incubators, research parks and green buildings.

EDA's long history aiding communities impacted by economic downturns, record of success, and strong customer service has allowed the bureau to hit the ground running in its implementation of the Recovery Act. To date, the bureau has successfully implemented all of its established milestones and is on track to complete all future milestones on or ahead of schedule. Within three weeks of the Act's passage, EDA published its Recovery Act funding synopsis, as well as a Federal Funding Opportunity notice. EDA continues to coordinate with the Department's Budget Office and officials at the Office of Management and Budget (OMB) to ensure that our Agency Program Plan is implemented efficiently.

Prior to the Act's passage, EDA had well-established and highly effective application evaluation procedures, awards processes, as well as reporting and reconciliation practices already in place. To ensure the Act's funding is properly managed, EDA is working closely with the Department's Recovery Act coordinator and the other Department bureaus that are administering Recovery Act funding to guarantee compliance with all of the Act's specific requirements and OMB guidance. EDA has also offered assistance to other bureaus looking to set up new grant and infrastructure programs. Additionally, EDA has established a Recovery Act taskforce, consisting of representatives from EDA's regional offices as well as Office of Chief Counsel, to focus specifically on risk identification and mitigation actions in the administration of Recovery Act funds. We are also taking advantage of training that is being offered by the Department's Office of Inspector General to identify and avoid waste, fraud, and abuse.

In addition, to ensure transparency in the grants being awarded under the Act, EDA is currently developing a public webpage dedicated to the Recovery Act which will not only report what projects have been funded by the Act, but also provide highlights of those projects for the public.

Furthermore, to increase our accountability, all Recovery Act grants will be posted at usaspending.gov on a monthly basis.

Conclusion

Chairman Oberstar, Ranking Member Mica, and members of the Committee, thank you for your time today, and for inviting me to give an overview on implementation of the Recovery Act at EDA. EDA is pleased to be a part of the important effort to bring about economic recovery. I look forward to answering any questions you may have and to working with the Committee to ensure the success of the Act.

TESTIMONY OF

J. Barry Barker

EXECUTIVE DIRECTOR
TRANSIT AUTHORITY OF RIVER CITY
LOUISVILLE, KY

AND

VICE-CHAIR - GOVERNMENT AFFAIRS
AMERICAN PUBLIC TRANSPORTATION ASSOCIATION

BEFORE THE

HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

ON

PUBLIC TRANSPORTATION'S ROLE IN ECONOMIC RECOVERY

****

APRIL 29, 2008

SUBMITTED BY

Transit Authority of River City
1000 West Broadway
Louisville, KY 40203
www.ridetarc.org

American Public Transportation Association
1666 K Street, N.W.
Washington, DC 20006
www.apta.com

Chairman Oberstar, Ranking Member Mica and distinguished members of the Committee, I thank you for the opportunity to testify. I am speaking today on behalf of both the Transit Authority of River City (TARC) in Louisville, Kentucky, and the American Public Transportation Association (APTA). I have been TARC's Executive Director for 15 years and serve on APTA's Executive Committee as the Vice-Chair for Government Affairs.

I have been asked to provide this Committee with a picture of how the "American Recovery and Reinvestment Act of 2009" (ARRA) is progressing -- the impact it is having now and will have in the near future. Like the rest of America, Louisville, Kentucky, is in a severe economic slowdown. Jobs are scarce, employers are cutting back, and government agencies are struggling to respond to multiple and expanding demands from local residents. The mood of the people in Louisville is, I imagine, much the same as it is across the country, apprehensive at best and frightened at the worst. I applaud this Committee, Congress as a whole and President Obama for passing economic recovery legislation in February and I hope I can demonstrate for you today how it is helping to get our economy back on track by creating new jobs, giving our citizens help in finding jobs, developing green jobs and buoying the hopes and spirits of people who are just hanging on through these hard times.

To help demonstrate how transit investment from ARRA is helping our economy, APTA is releasing a new report prepared by the Economic Development Research Group which shows that every $1 billion of federal investment in public transportation yields 30,000 jobs. The report also shows that transit investment provides jobs to the workers who may need them the most. It finds that two-thirds (66 percent) of the jobs created with capital investment in the public transit industry replace lost blue-collar jobs with "green jobs" in the public transit sector. Based on these projections, the American Recovery and Reinvestment Act, which provides $8.4 billion for public transportation projects, will create approximately 252,000 jobs for Americans and help transit systems meet the steadily growing demand for public transit services.

ARRA transit investments in the Louisville region

1. Construction of the LEED Certified Maintenance Annex
2. Acquisition of 10 hybrid electric buses
3. Re-roofing of a 200,000 square foot Bus Barn
4. Complete rehabilitation of TARC's satellite Bus Storage Building
5. Construction of a 1200-Kilowatt Emergency Generation Facility
6. Preventative maintenance activities

<u>TARC project advancement</u>

In Louisville, TARC was allocated $17.6 million under ARRA, and we moved quickly to put it to use, identifying capital needs and facility updates that had been deferred in recent years to meet budget and keep safe, affordable service on the street. TARC understood from the introduction of the first bill in committee that having projects 'shovel ready' as quickly as possible was a priority. In order to be as ready as possible we committed all of our available resources to the architectural design work necessary to pursue our most needed facilities projects. Within weeks, we had complete specifications and designs in hand for four construction projects:

TARC has already put our four facilities projects out to bid and the response to these projects attracted more prospective bidders than anything in recent history. The maintenance annex had 51 people representing 45 companies attending the pre-bid meeting. Similarly, there were 26 companies inquiring about the re-roofing of the bus barn, 41 inquiring about the rehabilitation and re-roofing of the bus storage building, and 27 companies interested in the generator project.

By May 4, TARC will have bids on all projects and teams of professionals and users will evaluate the bids for each of these projects. Each team will make its recommendation for award to TARC's Board of Directors on May 25th. We anticipate issuing notices to proceed as quickly as is practicable thereafter. The staff at the Federal Transit Administration's (FTA) Region 4 office has been working diligently with us to prepare our ARRA grants for award. We are hopeful that TARC's Recovery Act grants will be obligated by the time these construction contracts are awarded.

TARC's intent is to break ground on each of these facilities projects in June, and we anticipate that work will be substantially complete on all of the projects by the end of June 2010. It is estimated that these five projects will create 227 jobs, in addition to saving 24 current TARC jobs. The maintenance annex will generate 80 green jobs, and many will be in the construction job classifications recognized as "green jobs" in a recent report by the U. S. Conference of Mayors: solar energy contractor; energy management controls; environmental system control installation and pollution control equipment installation.

<u>Construction of LEED certified Maintenance Annex</u>

I am going to tell you more about five other projects as well, but I would like to focus for a moment on the impact of the $5.5 million maintenance annex. It is a 14,000-square foot building that will be used for training operators and mechanics and will include bus cleaning bays. The LEED Silver certification means, among other things, that the building will have very low operating costs. It will include a new training classroom, with updated equipment, space for maintaining electronic components that are becoming more prevalent on our buses and six bays for cleaning buses. We are currently cleaning our buses in one of the darkest, dirtiest places on TARC property: the service lanes in our 30–year-old bus barn.

The annex alone is expected to create 80 jobs over the next year. These jobs will cover 20 trades. There are all the traditional jobs involved in site work, roofing, masonry, tiling, drywall, asphalt, etc. But even more critical perhaps are the dozens of jobs involved in constructing a building that uses the latest techniques for environmental and energy conservation. For example, the annex will have a bio-swale stormwater retention system, a natural catch basin covered with native plants that allow runoff to be absorbed directly into the groundwater rather than running into the sewer system. This feature alone creates a new category of landscaping jobs. In addition, the facility will have a vegetative roof, passive solar lighting and ventilation systems designed to reduce heating and air conditioning costs, and solar panels that will generate enough power to run the lighting on the buses that are in for maintenance. We estimate the building will use 20 percent less energy than a conventionally-built structure.

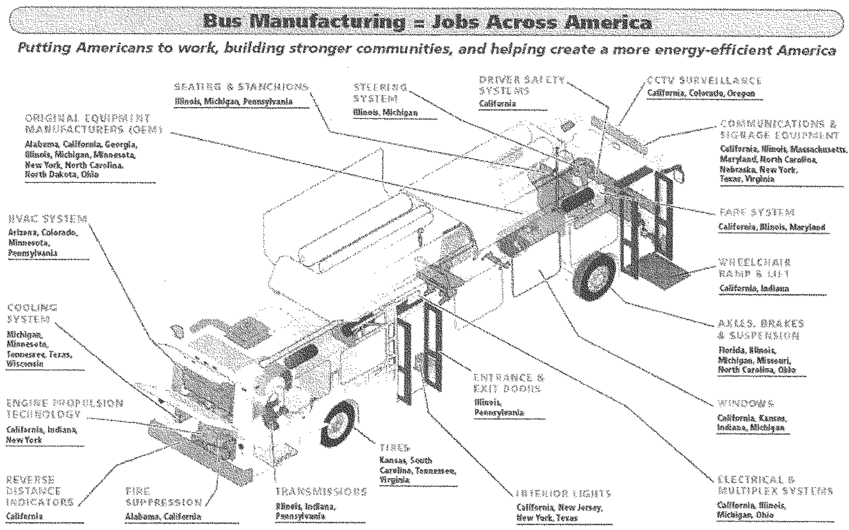
Hybrid vehicle acquisition

TARC's second major investment of ARRA funds is the purchase of ten hybrid electric buses. Like many of our sister agencies, TARC is substantially behind in our bus replacement schedule. The FTA standard expected life for a full-size, heavy-duty transit bus is 12 years or 500,000 miles. Currently, 44 of our 244 buses in our active fleet (18 percent) have exceeded that standard. The average age of our fleet is now 9 1/2 years. This has significant implications for operating costs, since the older a bus is, the greater the chance that it will require costly maintenance. They also have much more significant emissions of pollutants, contributing to the air quality problems in Louisville, which has just barely moved out of non-compliance for air quality standards and which has an abnormally high incidence of asthma.

TARC is therefore using the option FTA established in 1998 to "piggyback" on a sister agency's contract for buses. TARC has requested and been granted the right to use up to 20 of these purchase options from our friends at the Nashville MTA. Using these options, TARC will issue a purchase order early in May to the Gillig Corporation of Hayward, California, for ten, 40-foot hybrid electric buses. We expect to take delivery of those buses during the summer of 2010.

With the addition of ten hybrid buses, and three new ones arriving this summer, TARC's fleet of hybrids will expand to 22 buses. These vehicles have proven to be an excellent investment. They reduce pollution-causing emissions, require little maintenance and provide a quieter and smoother ride for TARC's customers. Their fuel economy is roughly 20 percent better than our diesel buses.

While TARC will not receive our new buses until 2010, our order has immediate employment effects. Our original equipment manufacturer (OEM) is Gillig Corporation in Hayward, California. When Gillig receives our purchase order they will place their own orders for components like engines, transmissions, brake assemblies, air conditioning units and for raw materials like steel. For every new job created at OEMs as vehicle orders increase, ten or more jobs are created in the supply chain before the first vehicle in a new order is assembled. Also, "Buy America" requirements that are established in federal law for procurements involving federal assistance assure that most of a transit vehicle's components must be of domestic origin and that final assembly of vehicles must take place exclusively in the United States. These jobs are "green" manufacturing jobs, too. The hybrid propulsion system and transmission in our buses will be manufactured by Allison Transmissions in Indiana.



Additional TARC projects and maintenance of TARC service

The remaining ARRA projects for TARC will create more conventional jobs. The 30-year old roof on the bus barn is the size of six football fields and is long overdue for replacement. It is expected that 29 (full-time equivalent) roofer jobs will be created by this $2.2 million project. TARC will also apply for funding from the newly created $100 million Transit Investments for Greenhouse Gas and Energy Reduction (TIGGER) program to put solar panels on the bus barn roof. If this $2 million request is awarded, the solar panels will generate enough electricity to defray tens of thousands of dollars annually in utility costs, not to mention reducing the demand on, and the greenhouse gas emissions from, local coal fueled power plants. In addition, this project will create American jobs in the manufacture and installation of the panels.

Finally, the 29th Street maintenance and bus storage facility will be renovated at a cost of $2.4 million. This 53 year-old facility is so leaky it has stalactites and stalagmites growing in it, rivaling Mammoth Cave National Park in Rep. Guthrie's 2nd District. The rehabilitation will include new roofing, overhead doors, and bring the building up to code with new electrical, lighting and ventilation systems.

The last, but perhaps most important, activity that TARC will undertake, under the Recovery Act is our plan to put $1.2 million to immediate work preserving 29 jobs related to preventative maintenance activities for our fleet of buses. Without the injection of these funds, not only would those jobs be lost, but a very significant amount of service to our greater Louisville community would disappear as well.

It has been TARC's objective to preserve transit service to our community above all else. Rather than cut service, TARC has put off purchasing buses to replace those that have exceeded their useful lives. Rather than reduce transportation options to our community, TARC has deferred maintenance on most of our facilities.

I would add that while TARC will be able to maintain its service levels and keep all of our employees working, other transit providers are facing tremendous gaps in their budgets. In 2008, our cost of providing service exploded as the price of diesel fuel rose to more than $4 a gallon. As a result, transit systems across the country began raising fares, cutting service, and in some cases, implementing employee layoffs. While the price of diesel has receded, the situation of most transit systems has not improved. As the economy faltered last fall, state and local revenues that support public transportation have declined precipitously. Shortfalls in our operating budgets will continue to be a major challenge for transit agencies for the remainder of this year and beyond.

<u>ARRA transit investment across the nation</u>

The examples I have offered from Louisville mirror activity that is occurring across the nation. In Kentucky, our sister agency in Bowling Green in Rep. Guthrie's community is using its share of ARRA funds to purchase maintenance equipment, buy five new 24-passenger buses, and design a bus maintenance facility. Elsewhere, transit systems are quickly implementing the 787 "ready-to-go" projects that an APTA survey identified last year, including example projects discussed by this Committee: the Virginia Railway Express (VRE) is using ARRA funds to buy locomotives from MotivePower, Inc. in Boise, ID; Muncie Indiana's transit system is buying hybrid buses from Gillig in California; and the Chicago Transit Authority (CTA) has already started vital track reconstruction with economic recovery funds and is buying 58 articulated hybrid buses from New Flyer, Inc. in St. Cloud, MN. Without the efforts of this Committee to demonstrate the value of transit and transportation investment in economic recovery legislation, none of these projects would have been possible.

<u>Conclusion</u>

To conclude my testimony, I thank Chairman Oberstar, Ranking Member Mica and the other members of this Committee who worked to increase the total level of transit funding in economic recovery bill and fought to include energy assistance grants for transit agencies to prevent service cuts, fare increases and employee layoffs. To cite just one effort, we thank Subcommittee Chairman DeFazio and Representatives Nadler and Lipinski who worked to amend the recovery bill on the House floor. While the final ARRA legislation did not contain all of the funding or provisions that we sought, the transit industry and its customers cannot thank this Committee and its members enough for their support.

I think I can speak for transit agencies throughout the country when I say that this current Congress is generating fresh energy and renewed commitment to public transportation. APTA has for decades promoted the role of transit in improving our economy, reducing energy dependence and caring for the environment. Today, with the support of this esteemed Congress, our message is taking hold in historic proportions and we are optimistic that your support will be a key factor in improving public transportation and the quality of life in communities throughout America.

Appendix: Project Updates from APTA Economic Recovery Survey

- **Virginia Railway Express (VRE), Alexandria, VA**: VRE's "ready-to-go" projects included the acquisition of 15 locomotives to allow the commuter railroad to increase capacity by deploying longer eight- and 10-car trains. In February 2008, VRE signed a contract with MotivePower, Inc. to purchase as many as 20 replacement locomotives. Prior to the enactment of ARRA, VRE had been able to purchase only five locomotives due to a lack of funding. Using economic recovery funds, the railroad hoped to purchase the remaining 15 locomotives under the contract. MotivePower locomotives are manufactured in Boise, ID. Cost: $63,000,000.

  Project Update: VRE will receive $9.8 million in ARRA funds. On March 20, the VRE Operations Board authorized amending the base order to purchase four additional locomotives using almost all of the system's ARRA funding in combination with a smaller amount of FTA formula funds. The total contract value is now $33 million, and VRE needs to raise approximately $30 million to purchase the remaining 11 units.

- **Muncie Indiana Transit System, Muncie, IN:** The Muncie Indiana Transit System is in the final year of an existing bus procurement contract with Gillig Corporation, and one of its "ready-to-go" projects was to use contract options to purchase four diesel-electric hybrid buses. The buses would be Muncie's first deployment of hybrid technology, and they would replace vehicles purchased in 1994 that are well past their expected service life. Diesel-electric hybrid buses reduce fuel consumption by as much as 40 percent, and regenerative braking technology reduces maintenance costs for transit agencies. Gillig buses are built in Hayward, CA. Cost: $2,100,000.

  Project Update: As a result of receiving $1,667,980 in ARRA funding, the Muncie Indiana Transit System has exercised its option to purchase three Gillig hybrid electric buses. Although MITS' FTA grant application is still under review, MITS has proceeded with contract award under FTA's pre-award authority. MITS expects the buses to be delivered at the end of this year or early next year.

- **Chicago Transit Authority (CTA), Chicago, IL:** The CTA's "ready-to-go" projects included the purchase of 200 diesel-electric hybrid buses from New Flyer, Inc. in St. Cloud, MN ($166 million) to replace the fleet's oldest buses; and track renewal projects for the Blue Line Dearborn Subway track ($87 million). CTA hoped to use economic recovery funding to replace deteriorating ties, track and fasteners on subway and elevated lines, thereby eliminating the main cause of slow zones on the system.

  Project Updates: The CTA will be using $50 million of the system's $240 million ARRA allocation to purchase 58 hybrid, sixty-foot articulated buses from New Flyer, and bus delivery will begin in June. On an average weekday, 18,000 customers will be directly impacted by the New Flyer bus purchase.

  The CTA will also be spending $88 million of ARRA funding to renew track in the Blue Line subway tunnel that traverses downtown Chicago. On March 11th the CTA Board approved the contract, and on April 17th the CTA put the shovel in the ground, starting 7 miles of track reconstruction. These 7 miles of track are at the end of its useful life and needs to be rebuilt, as was unfortunately highlighted by the July 2006 derailment that was caused by old track. CTA estimates that without the reconstruction of this section of the Blue Line that up to 50% of the tracks in this segment will be under a 15 mph slow zone by December 2009. Track renewal will benefit the 133,000 daily Blue Line riders, and 400 jobs will be saved or created by the work.

AMERICAN ASSOCIATION OF
STATE HIGHWAY AND
TRANSPORTATION OFFICIALS

AASHTO
THE VOICE OF TRANSPORTATION

TESTIMONY OF

THE HONORABLE ALLEN D. BIEHLER, P.E.

SECRETARY
PENNSYLVANIA DEPARTMENT OF TRANSPORTATION

ON BEHALF OF

THE AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS

REGARDING

IMPLEMENTATION OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

BEFORE THE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
U.S. HOUSE OF REPRESENTATIVES

APRIL 29, 2009

American Association of State Highway and Transportation Officials♦444 North Capitol Street, N.W., Suite 249, Washington, D.C. 20001♦202-624-5800

Mr. Chairman and Members of the Committee, my name is Allen Biehler. I am Secretary of the Pennsylvania Department of Transportation and President of the American Association of State Highway and Transportation Officials (AASHTO). I am here today to testify on behalf of AASHTO, which represents the departments of transportation in the fifty states and the District of Columbia and Puerto Rico.

First, I want to thank you, Mr. Chairman, for your leadership and the work of your Committee in enacting an economic recovery package that included substantial funding for transportation projects. You and the Members of your Committee recognize that transportation capital investments are fundamentally different from other kinds of government operations spending – this funding is invested in physical assets lasting 50 to 100 years or move and providing future generations with a modernized transportation system. Moreover, these investments are creating and sustaining good paying "made-in- America" jobs.

Today, I want to emphasize these points –

- The State departments of transportation geared up in advance in order to be able to react quickly upon enactment of the American Recovery and Reinvestment Act of 2009 (ARRA). The result is obligations ahead of schedule, projects under construction and people back to work in good paying jobs.
- The performance of State departments of transportation in delivering transportation projects for economic recovery has been exceptional – projects are on time and under construction, and bids are coming in under estimates.
- As a result of early preparations, State departments of transportation are delivering on job creation and long term transportation capital assets.
- Most of the States challenges and barriers to speedy project delivery are being addressed and overcome.

The Goals of the American Recovery and Reinvestment Act of 2009 (ARRA)

In specifying the purposes of the Act, Congress outlines several objectives of direct implication for transportation, including the preservation and creation of jobs to promote economic recovery and the investment in transportation infrastructure "that will provide long-term economic benefits." In anticipation of the legislation, the State departments of transportation undertook advance preparations to enable them to quickly meet the dual objectives of job generation and preservation and asset creation.

The Results of Early Action

The American Recovery and Reinvestment Act provided $48 billion for transportation investments out of a total economic recovery package of $787 billion:

- $27.5 billion for highways (of which $26.81 was apportioned to the States and balance is the Federal Lands and Indian Reservation Program, for highway surface transportation and technical training, DBE bonding assistance, the Territorial Highway Program, the Puerto Rico Highway Program, the Ferryboat Discretionary Program, and FHWA Oversight)

- $8.4 billion for transit
- $8.0 billion for high speed rail
- $1.3 billion for Amtrak
- $1.5 billion for National Surface Transportation Discretionary Grants.

The results of early action by the States are positive –

- According to the U.S. Federal Highway Administration's daily tabulation, as of April 27, 2009, $8,017,010,298 or 30% of the $26.81 billion in ARRA highway dollars apportioned to the States has been obligated. FHWA has approved highway projects in all of the States, which are on track to obligate 50% of their apportioned ARRA highway funds by the June 30th deadline. Our expectation is that all 50 States will meet this deadline.

  In Pennsylvania, as of April 23, 2009, we had opened bids for 62 projects totaling $129 million. Pennsylvania expects to beat the deadlines in the ARRA law by wide margins. Our goal is to have received contract bids for all of our stimulus projects by the end of August. The federal requirements have deadlines extending into 2010.

  We face critical bridge maintenance backlogs in Pennsylvania, on the order of more than $11 billion. With the stimulus funds, we will be making renovations or repairs to 399 bridges. Among the larger bridge projects we can now accelerate with stimulus money is a $66 million renovation to the Interstate 95 Girard Point Bridge over the Schuylkill River in Philadelphia. This double-decked bridge is over 5,163 feet long and carries roughly 90,000 vehicles a day. This work will sustain the life of this bridge for decades and keep it from falling into the structurally deficient category. We also plan a nearly $31 million renovation of the Fort Duquesne Bridge carrying Interstate 279 over the Allegheny River in Pittsburgh (which also carries about 90,000 vehicles a day) and a $20 million renovation of the Rochester Bridge that carries Route 51 over the Beaver River in Beaver County, northwest of Pittsburgh. Pennsylvania also has a significant backlog of roads in poor condition. The ARRA program will allow us to repave nearly 640 miles of these roads.

  Highway Funds for Smoother, Safer Roads and Bridges

  > The Florida Department of Transportation will use $56.6 million in highway ARRA funds to widen six miles of State Road A1A in Nassau County. This major east-west facility is major connection between I-10 and I -95 and coastal areas, is part of Intrastate highway System and a hurricane evacuation route. The roadway improvement will include four 12-foot travel lanes, 4-foot wide bike lanes and 5-foot wide sidewalks, and two bridge replacements.
  >
  > The Oklahoma Department of Transportation will begin reconstruction and repaving work this month on an 18-mile section of I-40 between Oklahoma City and west of El Reno. $45 million in ARRA funds will pay for roadway reconstruction, resurfacing and reconstruction of two bridges of this major truck route, which carries 39,000 vehicles a day.

The Missouri Department of Transportation has underway a $14.6-million resurfacing project on Interstate 35 in Clinton County; and an $18.4-million pavement rehabilitation project on I-55 in Pemiscot/New Madrid counties

The Tennessee Department of Transportation's first use of ARRA highway funds is going toward 10 local bridge replacement projects.

Highway Funds for Congestion Relief

The California Department of Transportation is combining $181 million in voter-approved transportation bonds with $130 million in ARRA funds to continue the I-215 widening project in San Bernadino. The first two phases of the project will add a carpool lane and freeway lane, rebuild several bridges, and on- and off-ramps along a 7.5 mile stretch of the freeway.

The North Carolina Department of Transportation has awarded a $!3.6 million contract to widen 2.6 miles of State Route 1306 from two lanes to four lanes with a median. The project is in growing Alamance County where 20,000 motorists use this roadway everyday, and the number is expected to grow to 33,000 by 2025.

- The ARRA provides broad eligibility in the use of the $26.8 billion in ARRA highway funds, and many states are using that flexibility to invest in bicycle-pedestrian, transit, intercity passenger and freight rail, and port projects.

Highway Funds Flexed to Rail Projects

The Kansas Department of Transportation has provided more than $2 million of ARRA highway funds for five short line railroad improvement projects in Kansas.

- **Kyle Railroad Company, Scandia** - construct 2,000 feet of new siding and a new switch at Nesika Energy, $371,000 (Republic County)
- **Kansas and Oklahoma Railroad, Alexander** - expand siding at Mid-States Farmers Coop, $158,470 (Rush County)
- **Kansas and Oklahoma Railroad, outside of Wichita** - add siding to handle 110-car grain trains, $967,820 (Sedgwick County)
- **Nebraska Kansas Colorado Railroad, near St. Francis** - partial funding for bridge rehabilitation, $476,826 (Cheyenne, Rawlins and Decatur counties)
- **Kansas and Oklahoma Railroad, Sawyer** - extend siding capacity at Farmers Coop, $195,278 (Pratt County)

The Ohio Department of Transportation has identified 22 freight rail projects to be funded with $78 million of their share of ARRA highway funds.

The Iowa Transportation Commission has asked its Department of Transportation to solicit potential freight rail projects that could utilize up to $5 million of ARRA highway funding that has not yet been programmed.

Highway Funds Flexed to Port Projects

The Oregon Department of Transportation has programmed $8.879 million to upgrade and modernize the Port of Portland terminal for improved shipping, and they will provide $1.484 million to upgrade rail facilities at the Port of Morrow.

Highway Funds Flexed to Transit Projects

The Florida Department of Transportation has flexed $692,296 for use by the City of Gainesville to purchase buses and $3,867,121 to Broward County for bus shelters.

The Indiana Department of Transportation has transferred $240,000 for four paratransit vehicles.

The New York Department of Transportation has flexed $175 million for reconstruction of St. George Ferry Terminal vehicular and pedestrian ramps in New York City

Highway Funds for Bike/Ped Projects

More than 40 percent of Oregon highway ARRA funds will go to rail, port, transit and bike-ped projects. For example, the Oregon Department of Transportation has programmed 15 bike/ped projects using ARRA highways funding, ranging from $2.5 million to illuminate and improve a bike/ped path along I-205 to $680,000 for sidewalks in Aurora.

- The ARRA provides $8.4 billion in funds for public transportation which is made available to the Federal Transit Administration for three different programs – transit capital assistance, fixed guideway infrastructure investment and capital investment grants. A few States oversee urban transit programs but most have responsibility only for the non-urban transit capital assistance program. Under ARRA, the states and transit recipients have 180 days in which to

Missouri has had an overall transit ARRA non-urban grant approved by the Federal Transit Administration for a total of $20,698,281. Of this amount, $14,593,678 has been obligated largely for new vehicles.

Kentucky has had an overall transit ARRA non-urban grant approved by the Federal Transit Administration for a total of $19,201,190 which is begin using for vehicles, bus shelters, a parking garage, trolleys, and large motor coaches.

On Time, On Budget Performance of the State Departments of Transportation

The State Departments of Transportation are demonstrating their ability to deliver on the promise of economic recovery. The States are seeing project bids that are coming in significantly below the States' estimates. Based on a quick survey, twenty-one States out of twenty-nine reporting indicated bids coming in below estimates, ranging from 5% all the way up to 27% and even 40% in one case.

> The Kansas Department of Transportation opened bids for its first stimulus project on April 15th. The low bid was 27 percent under the estimated costs. The bid opening for additional projects will be in May and July. Kansas has chosen to use the bulk of its ARRA funds on five major projects that are expected to continue to have significant economic benefits for years after construction.
>
> Bids were opened for Arkansas Department of Transportation's first 27 ARRA funded highway projects on April 8th, and came in 10.7% below estimates.
>
> On April 2nd, bids were opened on five Colorado Department of Transportation ARRA highway projects, all of which came back under estimate by an average of 12%.
>
> In March and early April, the Oklahoma Department of Transportation awarded contracts on 45 projects at a cost of $230 million, the bids of which came in 20% below estimates.

States are Delivering on Job Creation and Preservation

In March of this year, the construction industry lost 126,000 jobs and the unemployment rate for construction workers was at a staggering 21.1 percent. 1.3 million construction jobs have been lost since peaking in January, 2007. Shrinking demand forced Caterpillar to reduce its workforce by 22,000 workers. With more than 2,400 projects now approved and warmer weather on the way, we are seeing the orange traffic barrels go up, signaling underway construction projects and people back to work.

To comply with ARRA, the Administration has directed the States to collect employment "data from contractors, subcontractors, engineering firms and the States themselves for any project or activity that receives FHWA funds from ARRA." FHWA will estimate and report indirect jobs.

In an April 20th letter to the Governors, U.S. Transportation Secretary Ray LaHood indicated the following regarding job creation:

> "In just 7 weeks, the U.S. Department of Transportation has approved over $7.5 billion in State requests for highway, road, bridge and airport construction and repairs nationwide. Projects have been approved in every State. Our economists estimate that 39,000 job-years will be created just from the projects that we have approved so far."

Implementation Challenges are Being Addressed and Resolved

- Coordination of Reporting –

The State Departments of Transportation have been working diligently to ensure proper, appropriate and accurate reporting to meet the requirements of the American Recovery and Reinvestment Act, and to provide the accountability and transparency desired by the Members of Congress, the Administration and the public. Currently, there are several requests for reporting:

- The House Transportation and Infrastructure Committee has requested periodic reporting of the status of projects and job creation.
- The U.S. Department of Transportation and its operating administrations have established monthly reporting requirements.
- On April 3rd the Office of Management and Budget released new reporting requirement guidelines.
- In most cases, the Governors have established ARRA offices with their own reporting requirements.

We believe that we can achieve the goal of transparency and accountability while avoiding duplication through coordination of reporting requirements and efforts. We appreciate the efforts of the Transportation and Infrastructure Committee staff to work with AASHTO's members to refine your Committee's reporting format to make the reporting as efficient and effective as possible and least burdensome.

- The Backlog of Ready to Go Projects exceeds Available Resources

The State Departments of Transportation have been working since the fall of 2008 to prepare to move rapidly to get economic recovery projects under construction and people back to work. In this effort, the States have worked hand in hand with their Metropolitan Planning Organizations and local governments to identify ready-to-go projects geographically and strategically dispersed across their States to generate the maximum benefit in terms of jobs and the economy. Unfortunately, the backlog of ready to go projects is substantial, and there are many more projects ready to go than we have available economic recovery dollars. Therefore, we recognize there will be some disappointment in some areas. We believe that this is just one more indicator of the substantial demand for additional highway and transit investments which we hope can be addressed through the upcoming surface transportation authorization bill.

For example, in Pennsylvania, here are some of the projects we considered for stimulus but did not have enough money to move forward:

-- $18 million rehabilitation and preservation of the Platt Bridge carrying Route 291 over the Schuylkill River in Philadelphia.
-- $12.4 million replacement of the Route 19, McConnells Mills Bridge in Butler County.
-- $30.8 million repaving and bridge rehab of sections of Interstate 70 in Fulton County.

- Maintenance of Effort

The U.S. Department of Transportation has completed its initial review of the section 1201 maintenance of effort (MOE) certifications. According to FHWA,

> "...there is substantial variation among the States in the way they calculated and certified to their planned level of effort regarding States funding for the types of projects that are funded by the Recovery Act for the statutory period of February 17, 2009 through September 30, 2010."

Last week U.S. Transportation Secretary Ray LaHood provided additional guidance to the States and has given the States an opportunity to review and amend their MOE certifications by May 22nd.

The States appreciate this opportunity to refine their submission. However, we hope that the Committee recognizes that State budgets remain under stress and the economic recovery dollars are counteracting large budgetary shortfalls.

Moreover, we hope that Congress and the Administration recognize the importance of early and adequate action on continued and stable funding for the federal highway and transit programs. Just as we hit our stride with job creation and economic recovery gains resulting from the Economic Recovery Act, we may be faced with dramatic losses resulting from any or all of the following --

- A potential cash flow shortfall in the HTF later this summer;
- Imposition of the $8.7 billion rescission called for in the Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA LU); and/or
- Failure to generate sufficient resources to at least maintain current program funding levels in FY 2010.

Finally, Mr. Chairman and Members of the Committee, we especially want to commend the Federal Highway Administration for working so closely with the States to help us prepare for quickly implementing the economic recovery act and to deliver on the promise of investing in long term capital assets and creating and sustaining good paying jobs.

Mr. Chairman and Members of the Committee, thank you for the opportunity to testify and share our good news. I will be happy to answer any questions you may have.

Statement of Melissa Heist
Assistant Inspector General for Audit
Office of Inspector General
U.S. Environmental Protection Agency
Before the Committee on Transportation and Infrastructure
U.S. House of Representatives
April 29, 2009

Good afternoon Mr. Chairman and Members of the Committee. I am Melissa Heist, Assistant Inspector General for Audit at the U.S. Environmental Protection Agency (EPA) Office of Inspector General (OIG). I am pleased to be here today to discuss some of the challenges facing EPA in implementing the American Recovery and Reinvestment Act of 2009 (Recovery Act) and the OIG's plans to oversee EPA Recovery Act activities. The Recovery Act provided funding for a wide range of Federal programs intended to create jobs, stimulate economic recovery as quickly as possible, and invest in infrastructure. It also created a vital oversight role for Inspectors General within those agencies or departments that received Recovery Act funds to ensure that those funds are properly expended. The OIG has developed, and started to implement, an initial oversight plan designed to identify and prevent fraud, waste, abuse, or mismanagement of funds.

EPA Recovery Act Funding and Oversight Activities

The Recovery Act provided EPA with $7.2 billion, roughly equal to its fiscal year (FY) 2009 appropriation, for the following six existing EPA programs:

- $4 billion for the Clean Water State Revolving Fund (CWSRF) to provide funds for upgrading wastewater treatment systems.
- $2 billion for the Drinking Water State Revolving Fund (DWSRF) to provide funds for drinking water infrastructure.
- $600 million to the Hazardous Substance Superfund for site cleanup.
- $300 million to the Diesel Emissions Reduction Act Program for projects that reduce diesel emissions.
- $200 million to the Leaking Underground Storage Tank Trust Fund Program for cleanup activities of underground storage tank petroleum leaks.
- $100 million to the Brownfields Program for grants to carry out revitalization projects.

Funds for these programs are available for obligation through September 2010. About $90.5 million of this amount is specifically dedicated to management and oversight by EPA and is available through September 2011. The OIG received $20 million for oversight of EPA Recovery Act activities that are available through September 2012.

EPA has begun to disperse some of its Recovery Act funds. As of April 17, 2009, EPA had awarded 66 grants worth nearly $1.5 billion broken out as follows:

- 12 CWSRF grants totaling nearly $1.1 billion;
- 10 DWSRF grants totaling over $321 million; and
- 44 diesel emissions reduction grants totaling over $76 million.

EPA has also awarded one Superfund contract worth $20.55 million. EPA recently published a list of Superfund sites that will soon receive additional Recovery Act funds.

The Recovery Act contains specific provisions that EPA is required to meet regarding the use of its funds. These provisions include separately tracking the funds in the Agency's accounting system; the waiving of cost share and matching requirements; preference for quick-start activities; tribal set-asides for Indian Health Service; and appropriations for tribal grants. The Act also outlines specific reporting and accountability requirements for the use of Recovery Act funds.

EPA leadership is showing a strong commitment to ensuring Recovery Act funds are used for their intended purposes and to meeting the objectives of the Act. Early on they sought our advice on management and oversight issues. EPA has established several internal committees. These internal committees meet regularly to discuss Agency progress in meeting Recovery Act objectives. The OIG has been participating in an advisory role on all of these key committees. EPA is developing a stewardship plan to reinforce internal controls over the funds. This plan will address OMB's requirement for agencies to have risk mitigation strategies for Recovery Act funding. For the State Revolving Fund (SRF) programs, EPA issued guidance for awarding Recovery Act funding in March 2009. This guidance informed States of their application responsibilities and discussed the unique provisions in the Recovery Act. Under these programs, all 50 States and Puerto Rico maintain revolving loan funds that provide sources of low-cost financing for a wide range of water quality infrastructure projects. The amount of funds available to each State is based on established formulas.

Challenges Posed by the Recovery Act

EPA will face significant new financial and programmatic challenges as it awards and oversees Recovery Act funding. The Act provided additional funding for existing EPA programs, new requirements for award and implementation, and placed an emphasis on spending the funds quickly to help stimulate economic revitalization. EPA must meet its Recovery Act requirements while at the same time carrying out its ongoing environmental programs. Therefore, the OIG will be designating EPA management of stimulus funds as a new top management challenge for FY 2009.

The SRF programs are the largest share of EPA Recovery Act funding, totaling $6 billion of the $7.2 billion appropriated. The Congressional Budget Office has noted that historically, appropriations for the SRF programs are spent slowly with about half the funds spent over the first three years. Prior OIG work on EPA Border Programs, which focus on developing infrastructure to treat wastewater and deliver safe drinking water along the U.S.-Mexico border, have shown similar problems. Since our audits the Agency has taken some corrective actions, but at the time of our work, these programs had unliquidated balances totaling over $300 million that had accumulated over a 10-year period. By not deobligating these funds, EPA delayed much needed water improvements. EPA and its grantees will be challenged to spend the SRF Recovery Act funding in a timely manner, as required by the Act.

Most Recovery Act funds will be awarded through assistance agreements or contracts. EPA assistance agreements and contracts personnel will have to manage the stimulus-funded projects in addition to their normal workloads. Although EPA may set aside anywhere from 1 to 3.5 percent of Recovery Act funds for management and oversight purposes, EPA will be challenged to have sufficient, trained staff to award and monitor assistance agreements and contracts. If EPA does not assign sufficient staff to oversight, the Agency increases the risk of fraud, waste, and abuse of Federal funds. It will also increase the risk that EPA will award funds to entities that do not have adequate administrative and programmatic capabilities to efficiently and effectively carry out the work. EPA will also need to focus considerable attention on ensuring that Recovery Act funds produce their desired results and minimizing cost overruns and project delays.

The grants EPA awards with Recovery Act funding will contain new conditions that require additional monitoring and oversight. The Act states that grant funds should be awarded to recipients that will maximize job creation and economic benefits. The Act also requires each State to use at least 50 percent of the CWSRF and DWSRF loan amounts for forgiveness of principal, negative interest loans, or grants. The Act stipulates that to the extent that there are sufficient eligible projects, at least 20 percent of the SRF allotments are to fund projects to address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. EPA also will need to more closely monitor Recovery Act funds because, unlike current programs, Recovery Act-funded grants do not require a match by the recipient and there are provisions for loan forgiveness, so not all funds will have to be repaid. These provisions increase the risk of fraud, waste, and abuse.

For most of the Recovery Act funding, EPA will rely heavily on State agencies as the primary fund recipients to properly manage their sub-recipients. For the SRFs, EPA provides funding to States that in turn award funding to a local government entity. The local government then awards contracts for water infrastructure construction. Given the significant economic problems many States face, they may not have the resources to properly oversee these funds. In addition, EPA may not have the information needed to identify fraud, waste, and abuse at the level where a majority of funds are expended. Currently, the Office of Management and Budget (OMB) is only requiring States to report information down to the sub-recipient level. If OMB does not develop a means and a requirement to collect data below the sub-recipient level, EPA will not have the information to identify potential fraud, waste, and abuse at the level where it is most likely to occur.

For the Superfund program, activities under the Recovery Act will generally be funded through contracts. With the emphasis on awarding funds and getting work started quickly, there is a risk that the contractors will not be ready and able to accept the additional work. This may result in greater reliance on subcontractors overseen by a contractor challenged to handle the additional work. While EPA plans on using existing contracts to obligate most of the Recovery Act funds, the additional funds may result in the contracts reaching cost ceilings earlier than expected and needing to be re-competed earlier than planned. These additional activities will strain the current acquisition workforce.

Remedial Action Contracts are a primary acquisition vehicle that the EPA Superfund program uses to conduct long-term clean-up and remediation support activities. A 2008 OIG report identified risks in managing such contracts. The process for determining contractor award fee amounts and whether they would be granted was burdensome. The complex contract award fee process resulted in excessive award fees to the contractor, and EPA viewed the award fees as more of an expectation for contractors rather than a factor to motivate excellence.

OIG Oversight Plan of EPA Recovery Act Funds

In March 2009, the OIG released its initial oversight plan of Recovery Act funds. Under our plan, the OIG will assess whether EPA is using its funds in accordance with applicable requirements and is meeting the accountability objectives defined by OMB. The objectives include whether:

- Funds are awarded and distributed in a prompt, fair, and reasonable manner.
- The recipients and uses of all funds are transparent to the public, and the public benefits of these funds are reported clearly, accurately, and in a timely manner.
- Funds are used for authorized purposes and instances of fraud, waste, error, and abuse are mitigated.
- Projects funded under this Act avoid unnecessary delays and cost overruns.
- Program goals are achieved, including specific program outcomes and improved results on broader economic indicators.

As EPA awards Recovery Act funds, the OIG is taking a number of actions to alert Agency managers of risks and cost effective controls to help prevent fraud, waste, and abuse; and ensure program goals are achieved and stimulus funds are accurately tracked and reported. As our auditors and evaluators identify risks, they will provide flash reports to Agency managers with recommendations for ways to mitigate these risks. We have been meeting with EPA managers to increase our understanding of how stimulus funds will be used and to provide technical assistance based on past experience in auditing and investigating EPA programs. We are also reviewing prior audits in program areas covered by the Recovery Act to determine whether corrective actions have been completed. Finally, after EPA awards stimulus funds, we will review EPA management of Recovery Act programs, how funds are being used, and the accuracy of the information being reported.

From an investigative perspective, we will undertake a proactive approach to prevent fraud, waste, and abuse of funds by educating EPA and State employees, contractors, and grant recipients on identifying fraud indicators and reporting suspicious activities and conditions to the OIG. This includes the development and distribution of brochures, pamphlets, and other training materials. Plans are also currently underway for our investigators, in conjunction with the EPA Office of Water, to conduct fraud prevention training via webcast to States and other stakeholders. We will conduct outreach with law enforcement at the Federal, State, and local levels in an effort to gather information on potential fraudulent activity involving EPA funds. This outreach will also include contacting the top SRF recipients to facilitate ongoing communications regarding funds distributed to local authorities. We will use various investigative tools and techniques such as data mining, forensic auditing, and the development of fraud investigative teams to further detect fraudulent activity. These teams — composed of OIG investigators, auditors, and evaluators — will analyze fraud indicators among the top State recipients of funds to determine those that are at high risk for fraudulent activity. Finally, we will review, as appropriate, concerns raised by the public about specific allegations of fraud, waste, or abuse of Recovery Act funds received via our OIG Hotline.

The following are some of the specific areas the OIG plans to audit and investigate.

Performance Audits

- Evaluate the process for awarding funds, particularly competitive awards.
- Evaluate the process States will use to award Recovery Act SRF funds.
- Determine whether funds are being awarded and spent timely.
- Determine whether the Agency has sufficient staff with the skills and knowledge needed to manage the grants and contracts awarded with Recovery Act funds.
- Evaluate how the Agency is monitoring the use of the funds.
- Assess how performance is being measured and the process used for computing jobs saved and created.
- Review the quality of data systems and information EPA uses for reporting Recovery Act's requirements.

Financial Audits

- Conduct interim and final financial audits of Recovery Act fund recipients to determine whether:
    - costs incurred met federal requirements;
    - funds were used as intended; and
    - funds were free of fraud, waste, abuse, and mismanagement.

- Work with EPA to update the Single Audit Compliance Supplements for the Clean Water and Drinking Water State Revolving Funds.
- Review Single Audit reports on Recovery Act funds and ensure that corrective action is taken.
- As part of the annual audit of EPA's overall consolidated financial statements:
    - assess internal controls over the financial reporting of Recovery Act funds;
    - examine transactions to determine whether they are properly authorized, recorded, and reported; and
    - examine compliance with Recovery Act provisions that could have a material or direct effect on the financial statements.

Investigations

- Investigate allegations raised by the public and others of fraud, waste, and abuse committed against EPA involving Recovery Act funds.
- Contact State recipients to facilitate ongoing communications regarding EPA Recovery Act funds distributed to local authorities.
- Through the review of EPA and State audits and evaluations, identify fraud indicators, program weaknesses, and potential problems.
- Outreach and educate recipients of Recovery Act funds on potential fraud indicators.
- Gather information on potential instances of fraud being perpetrated with EPA Recovery Act funds from law enforcement officials, auditors, contractors, suppliers, and vendors at the federal, State, and local levels.

Currently, we have 12 staff working on Recovery Act activities. Our plan is to increase our staffing to have between 35-45 staff assigned to this work. The number will fluctuate based on the time it takes to recruit staff and the amount of funds that have been awarded and spent.

Reports on our findings not related to ongoing criminal investigations will be posted on our "EPA OIG Recovery Act Efforts" page of our Website when published. Our work is being closely coordinated with the Recovery Accountability and Transparency Board, as well as other audit and law enforcement organizations at the Federal, State, and local levels. This includes the Council of Inspectors General on Integrity and Efficiency, which represents the Federal Inspector General community. Specifically, the Council's Recovery Funds Workgroup serves as a point of communication and coordination on Recovery Act matters that affect the Board and other OIGs.

Completed OIG Recovery Act Work

The OIG has started to issue reports on our Recovery Act oversight activities. Earlier this month, we issued a report that reviewed open recommendations from prior OIG audit reports that could impact EPA Recovery Act activities. Open recommendations are those for which EPA has not completed corrective actions. We identified five open recommendations from three audit reports that pertain to grants, contracts, and interagency agreements. In response to a 2008 report, EPA agreed to implement our recommendation to distribute revised terms and conditions to regions in June 2009 for spending brownfields grant funds more timely. EPA told us these terms and conditions would be in place before EPA awarded any Recovery Act grants. A 2008 report found that EPA had no assurance that use of Cost-Plus-Award-Fee contracts facilitated a higher level of performance than other types of contracts, and contractors were given award fees without sufficient support. To address these issues, the EPA Office of Acquisition Management completed revisions to the Contracts Management Manual and will have the information published by late April. We also noted EPA Region 5 paid award fees in excess of limits, and corrective action is still pending. A 2007 report found that EPA often entered into interagency contracts without conducting cost reasonableness assessments or identifying alternatives, such as whether EPA in-house staff should acquire the services or products. EPA is not planning to conduct its comprehensive review of interagency contracts to verify implementation of the corrective action until September 2010. EPA needs to ensure other corrective actions related to cost reasonableness assessments and considerations of alternatives to interagency contracts are implemented for Recovery Act interagency contracts. We recommended that the Agency expedite corrective actions for the open recommendations as they pertain to Recovery Act funds. EPA is required to respond to our report in May 2009 describing how it has addressed, or plans to address, these recommendations.

In March, the OIG reviewed OMB's updated guidance for the Recovery Act and provided several comments for OMB's consideration in a special report. Overall, we found that the guidance is prescriptive for agencies to make funding available in a transparent, need-driven way on an agency-by-agency basis. However, there does not appear to be a process described for cross-agency coordination of grantee and other fund recipient review to ensure that recipients are not obtaining funds from multiple sources for the same project. We also believe cross-agency checks should be required, beyond the current process, to ensure that a grantee, contractor, or recipient does not have outstanding Federal obligations and has performed satisfactorily in the past. Further, because States will be primary recipients of Recovery Act funds, we think more clarity is needed regarding what obligations State auditors have to review and report on the propriety of, accounting for, and use of the Recovery Act funds, as well as the recipient's accuracy in the reporting of results.

In addition, we made comments on specific sections of the guidance. These involved such issues as seeking more information on subprime contractors, identifying expected savings, assessing risk associated with any decision for providing funds to each grantee, and having a third party arbitrating disputes between the Agency contract officer and the auditor.

Additional Recovery Act reports will be issued in the weeks and months to come as our work is completed. For example, we are currently reviewing open recommendations from prior OIG financial reports on assistance agreement and contract recipients. We have an audit ongoing that is assessing EPA's use of contractors' past performance evaluations and responsibility determinations in awarding Recovery Act funds. We have also initiated work on an evaluation to assess some concerns expressed by public interest groups about the portion of funding set aside for green infrastructure, water or energy efficiency, and environmentally innovative projects under the Recovery Act.

Conclusion

The purpose of the Recovery Act as it applies to EPA is to preserve and create jobs, promote economic recovery, and invest in environmental protection and other infrastructure that will provide long-term economic benefits. EPA must manage Recovery Act funds to achieve these purposes while commencing expenditures and activities as quickly as possible, consistent with prudent management. The OIG's role is to assess whether EPA is meeting its responsibilities and to hold EPA accountable for the funds it expends. While we have developed a plan to oversee EPA Recovery Act activities, we anticipate that our plans and activities will evolve. We will revise and update our oversight plans as necessary to ensure that fraud, waste, abuse, and mismanagement is identified and addressed.

Thank you for the opportunity to testify before you today. I would be pleased to answer any questions the Committee may have.

TESTIMONY OF

LISA JACKSON
ADMINISTRATOR, U.S. ENVIRONMENTAL PROTECTION AGENCY

BEFORE THE
TRANSPORTATION AND INFRASTRUCTURE COMMITTEE
UNITED STATES HOUSE OF REPRESENTATIVES

April 29, 2009

Chairman Oberstar, Ranking Member Mica, and Members of the Committee, thank you for the opportunity to appear before you today to discuss the U.S. Environmental Protection Agency's (EPA's) implementation of the American Recovery and Reinvestment Act of 2009 (Recovery Act).

Background

As Members of this Committee well know, we are in the midst of one of the most severe economic crises our Nation has seen. In response, the President acted quickly with Congress to pass the American Recovery and Reinvestment Act. The purpose of the Recovery Act is to create and save jobs, jumpstart the economy, and build the foundation for long-term economic growth. The Recovery Act invests in projects that will modernize the nation's critical infrastructure, encourage America's energy independence, expand educational opportunities, increase access to healthcare, provide tax relief, and protect those in greatest need.

The Recovery Act provides $7.22 billion for specific programs administered by EPA: the Clean Water State Revolving Fund, Drinking Water State Revolving Fund, Superfund, Brownfields, Underground Storage Tanks, and Clean Diesel programs. The majority of these funds ($4.7 billion) are specified for programs under the jurisdiction of this Committee: the Clean Water State Revolving Fund ($4 billion), Superfund ($600 million), and Brownfields ($100 million). The programs targeted by EPA's portion of Recovery Act funding address location-specific, community-based public health and environmental needs. Investing in these areas ensures that job creation, economic growth, and beneficial environmental results occur at the local level.

Of the $7.22 billion dollars thus far made available to EPA, we have already distributed 1.5 billion to 49 states, plus the District of Columbia and American Samoa. Of this figure, over $1.4billion has been obligated through the State Clean Water and Drinking Water State Revolving Funds, over $20 million through the Superfund program, and, over $86 million for the Clean Diesel Program. For the Leaking Underground Storage Tank funds, we are in the process of working with our state partners to meet requirements of the Act for the obligation of funds. In addition, Brownfields funding decisions will be made shortly.

Funding these programs will not only help our economic recovery, but they will protect and increase the number of green jobs, sustain communities, restore and preserve the economic viability of property, promote scientific advances and technological innovation, and ensure a safer, healthier environment. These programs were chosen carefully, both for their ability to put people to work and their environmental benefit. Grants and contracts are being awarded quickly, and progress and results will be monitored and reported in detail to ensure that American workers and taxpayers reap the economic and social benefits of these investments.

<u>Oversight, Accountability, and Transparency</u>

In order to meet the Recovery Act's requirements for oversight, results, and unprecedented transparency, EPA has designated Craig Hooks, Acting Assistant Administrator of the Office of Administration and Resources Management, as its Senior Accountable Official. In this role, he has the responsibility and authority to lead and coordinate all Agency activities under the Recovery Act. A Stimulus Steering Committee comprised of senior managers from across the Agency is monitoring Recovery Act planning and implementation on a weekly basis. In addition, the Act provided EPA's Office of the Inspector General (OIG) with $20 million for oversight and review.

To ensure that Recovery Act funds are managed and spent effectively, EPA is implementing the following accountability objectives: funds are awarded and distributed in a prompt, fair, and reasonable manner; recipients and uses of all funds are transparent to the public, the public benefits of these funds are reported clearly, accurately, and in a timely manner; funds are used for authorized purposes and instances of fraud, waste, error, and abuse are identified and addressed; projects avoid unnecessary delays and cost overruns; and program goals are achieved, including specific program outcomes and improved results on broader economic indicators.

EPA is undertaking a series of important steps to ensure that these accountability objectives are met. For example, EPA offices have ensured that internal financial and management processes expedite the flow of Recovery Act funds to qualified grant recipients and contractors. EPA will give funding preference to recipients with a demonstrated or clear potential ability to produce desired programmatic results, and for projects that can be started and completed expeditiously, will stimulate economic growth, and will achieve long-term public benefits. Transparency will be achieved through regular reporting to the Agency's Recovery Web site, as well as the government-wide Recovery site. EPA has also developed quantifiable outputs, performance measures, and reporting requirements to ensure that funds are spent as directed and achieve the economic and environmental goals authorized by the Recovery Act. In order to avoid cost delays and overruns, EPA will implement its Stewardship Plan, which provides a framework for management of common risk areas. In addition, EPA will report on economic and environmental results achieved through the Recovery Act and will make these results available to the public through Recovery.gov.

Finally, as I mentioned earlier, EPA's Office of the Inspector General (OIG) is committed to conducting performance audits, financial audits, and investigations in order to monitor the Agency's adherence to its accountability objectives. The OIG is taking a number of actions to alert Agency managers of potential risks and is recommending cost effective controls to ensure accurate reporting and transparency while helping to prevent fraud, waste, and abuse. Our work is being closely coordinated with the Recovery Act Accountability and Transparency Board.

Clean Water State Revolving Fund

As the nation's largest water quality financing program, the Clean Water State Revolving Fund (Clean Water SRF) supports the overarching goal of protecting aquatic systems throughout the country, including lakes, rivers, coastal water, and wetlands. Since 1987, the Clean Water SRF has provided over $68 billion through more than 22,000 individual loans. Projects include wastewater treatment, nonpoint source pollution control, and watershed and estuary management.

The Recovery Act provided the Clean Water SRF with $4 billion to help states finance high priority infrastructure projects needed to ensure clean water. As EPA works with our state and local partners to use these Recovery Act dollars in the most effective way, we must ensure a focus on the basic principles of pollution prevention and sustainability. We can build infrastructure that minimizes the environmental footprint we leave for future generations, and leverage these investments to maximize environmental progress.

One of the most exciting aspects of the Recovery Act is the requirement that the states allocate 20 percent of their SRF dollars to promote the implementation of green infrastructure. which represents an effective response to a variety of environmental challenges that is cost-effective, sustainable, and provides multiple desirable environmental outcomes. In addition, SRF funds should promote water and energy efficiency, and environmentally innovative projects, such as those that support low-impact development, water harvesting and reuse, and efforts to establish or restore riparian buffers, floodplains, wetlands and other natural features.. These types of projects will support the development of a green workforce and can provide long-term benefits that exceed those associated with traditional infrastructure projects.

The Recovery Act also requires that, with limited exceptions and applied consistently with U.S. international obligations, funded projects use only iron, steel, and manufactured goods produced in the United States, a requirement that particularly affects SRF programs. EPA has worked closely with the Office of Management and Budget (OMB) to ensure that guidance on the "Buy American" provision can work within the structure of our existing programs. In addition, the Agency is working closely with industry and municipal representatives to gain a better understanding of the nature of needed equipment and materials and the costs involved in complying with the provision. We have made a great deal of progress on this issue, and guidance and procedures on the provision have been posted to the Agency's Recovery Web site. However, we will need to closely monitor our implementation of this provision.

The Clean Water SRF program is committed to implementing the Recovery Act with accountability, oversight, and transparency. For Recovery Act grants, EPA is examining states' Intended Use Plans (IUPs) with greater scrutiny, particularly in light of the Green Project Reserve requirement. In addition, the Agency is conducting on-site reviews of states managing Recovery Act funds on an ongoing, rather than annual, basis. EPA's existing procedures, in addition to the new procedures being added specifically for Recovery Act funds, provide the Agency with assurance that funds are being used for their intended purposes in a timely and efficient manner.

To date, EPA has awarded over $1 billion in Recovery Act funds to Clean Water SRF programs around the country and nearly 30 states have submitted applications for Clean Water SRF funds.

Brownfields

Brownfields cooperative agreements facilitate the leveraging of economic investment and the creation and retention of jobs while helping to prevent, assess, safely clean up, and sustainably reuse Brownfields. Since 1995, grantees have leveraged more than $12.9 billion in federal, state, local, and private sector cleanup and redevelopment resources; leveraged more than 53,950 jobs; and supported assessments at more than 13,500 properties.

The Recovery Act provides $100 million for Brownfields projects. Cooperative agreements for the Assessment, Cleanup and Revolving Loan Fund (RLF) will be awarded under an existing competition to those applicants that rank highest on Brownfields statutory criteria. These criteria are consistent with the Recovery Act goals; therefore, highly ranked proposals will demonstrate economic need, a commitment to environmental sustainability principles, project readiness, and job creation. In addition, EPA will award Brownfields Recovery Act funding for job training, targeted regional Brownfields assessment, and supplemental funding for existing RLF recipients.

To ensure oversight and accountability, EPA will continually monitor progress through the quarterly reports required of each grant recipient. In addition, beginning one year after the date of each award, EPA will administer a Recovery Act cooperative agreement review to ensure that recipients are making sufficient progress. The Brownfields Program is also committed to providing transparent information on the performance and progress of projects funded with Recovery Act funds.

Through continued federal, state and local partnership, the Brownfields Recovery Act funds will be used to allow problem properties to become productive assets in communities across the country.

<u>Superfund</u>

The EPA Superfund program protects citizens from the dangers posed by abandoned or uncontrolled hazardous waste sites. Two-thirds of the sites listed on the National Priorities List (NPL) have had cleanup construction completed. In addition to completing construction on the remaining sites on the NPL, the program is focused on ensuring that these sites are ready to be returned to beneficial use by the community, putting both people and property back to work.

The Superfund remedial program has continued to evolve over the years. While the Agency has been able to achieve construction completion at two-thirds of our sites, there are remaining sites that require cleanups that will take decades to complete. In addition, new and challenging sites have been added to the NPL.

On April 15, 2009, EPA announced $600 million in Recovery Act funds for Superfund remedial activities at 50 sites in 28 states around the country. With this funding, EPA will continue Superfund program progress by starting new cleanup projects, accelerating cleanup projects already underway, increasing the number of workers and activities at cleanup projects, and returning sites to more productive use. I had the pleasure to announce the allocation of Superfund Recovery Act funds at the New Bedford Harbor site in Massachusetts which will provide a tremendous boost to the cleanup of New Bedford Harbor, significantly expediting the timetable to return a clean harbor back to the community.

Cleanup activities at Superfund sites receiving Recovery Act funds could also yield significant site-specific, non-environmental economic benefits, including improved site property values and job opportunities. Superfund sites are often located in the areas hardest hit by unemployment and downturns in the economy. EPA anticipates that the Recovery Act funding for the Superfund remedial program will leverage jobs in communities across the country while also increasing demand for construction materials such as steel and concrete. EPA has developed an implementation plan that will obligate funds ahead of statutory requirements and we expect work to accelerate within the next month at many sites where construction is already underway.

EPA will report on the progress of the Recovery Act funding for the Superfund remedial program through program performance measures. In addition, the Agency established reporting mechanisms to collect the information necessary to ensure accountability and transparency. EPA will evaluate both Superfund resource utilization on a monthly basis and performance progress quarterly. Recovery Act resources will also be evaluated at mid-year and annual Superfund work planning meetings. EPA will provide transparent information on the performance, progress, and accomplishments of Superfund remedial activities by Recovery Act funds on Recovery.gov and the Agency's own Recovery Act Web site..

Conclusion

EPA looks forward to working with this Committee, our federal, state, and tribal partners, and members of the public as we work to effectively implement the American Recovery and Reinvestment Act of 2009 with oversight, accountability, and transparency. Thank you again for inviting me to testify here today, and I look forward to answering any questions that you might have.

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

JUN - 3 2009

OFFICE OF CONGRESSIONAL AND
INTERGOVERNMENTAL RELATIONS

The Honorable James L. Oberstar
Chairman
Committee on Transportation and Infrastructure
Unites States House of Representatives
Washington, DC 20515

Dear Chairman Oberstar:

Thank you for your letter of May 6, 2009, providing questions for the record of the Committee on Transportation and Infrastructure. Please find enclosed the U.S. Environmental Protection Agency's (EPA's) responses to the questions posed by the Committee pursuant to the April 29, 2009, hearing titled, "Recovery Act: 10-Week Progress Report for Transportation and Infrastructure Programs." I hope this information will be useful to you and the Members of the Committee.

If you have further questions, please contact me, or your staff may contact Carolyn Levine EPA's Office of Congressional and Intergovernmental Relations at (202) 564-1859.

Sincerely,

Arvin R. Ganesan
Deputy Associate Administrator

Enclosure

cc: The Honorable John L. Mica, Ranking Member
Committee on Transportation and Infrastructure

Environmental Protection Agency Responses to Questions for the Record
From the April 29, 2009
House Committee on Transportation and Infrastructure
Hearing on "Recovery Act: 10-Week Progress Report for Transportation and Infrastructure Programs"

Questions from Congressman John J. Hall:

1. Secretary LaHood and Administrator Jackson, thank you both for being here and for working so hard to get right the infrastructure part of the Recovery Act, which in my opinion is the portion of the Recovery Act that will create the most jobs. The primary infrastructure components of the Recovery Act for the most part used existing formulas and programs to distribute funds. The result was an enormous amount of money, in some cases as much or more than the normal program funding, delivered to your agencies with a very strict timeline to spend down the money. So far, that seems to be working. As this Committee looks to reauthorize both the surface transportation program and water infrastructure programs at the EPA, could you each tell us about some lessons learned that we may want to incorporate into future legislation. For example, does the 120 day "use it or lose it" language make sense in every bill?

Response: While the Recovery Act does not include a 120 day "use it or lose it" provision for water infrastructure, it does require that Clean Water and Drinking Water State Revolving Funds (SRFs) monies be under contract or construction within one year of enactment. This one-year "use it or lose it" requirement clearly makes urgent the moving of funds to communities in order to create jobs and build needed infrastructure. It is a valuable and essential part of the Act.

However, such a provision is not needed for the regular, non-ARRA programs. Incorporating the provision into the SRF programs for ARRA funds requires States to rank potential projects according to readiness to proceed. While this is always an important factor for funding projects in the base program, raising the importance of this factor may have the effect of pushing essential projects, those needed for protection of our water resources or public health protection, further down on a State's priority list, and move less essential projects that are ready to go to construction higher on the list. I believe the States are in the best position to determine the balance between those projects most needed to serve the environment and the public health, and those that may proceed to construction quickly.

2. Administrator Jackson, I want to thank you in particular for working so closely with New York EFC, whose President Matthew Millea is joining us today. In Mr. Millea's testimony, he praises you and your team for swiftly and cooperatively developing criteria and definitions for the "green infrastructure" set aside within the water infrastructure section of the Recovery Act. My question is this: are these definitions and guidances transferable to other agencies or departments and, if not, what mechanisms can we set up either through the regulatory process or through statute, so that we can quickly and easily get good green infrastructure built as part of other programs. It would be a shame if we

did not take advantage of some of the work you have done in implementing the Recovery Act in, for example, the upcoming surface transportation bill.

Response: Based upon existing program definitions of green stormwater infrastructure, energy efficiency, water efficiency and innovative environmental projects, definitions and guidance on green infrastructure requirements for ARRA and the SRFs were quickly developed by EPA to inform State SRF managers and potential assistance recipients about the green projects targeted by the ARRA funding. These resources, along with training webcasts for both state and general audiences, are available on the EPA recovery website http://www.epa.gov/water/eparecovery. The information on green infrastructure is easily transferrable to other agencies that work with water infrastructure financing. One of the best ways to incorporate green infrastructure into other water infrastructure finance programs is to provide information and incentives to communities to pursue green approaches to water pollution control and drinking water protection.

**Environmental Protection Agency Responses to Questions for the Record
From the April 29, 2009
House Committee on Transportation and Infrastructure
Hearing on "Recovery Act: 10-Week Progress Report for Transportation and Infrastructure Programs"**

Questions from Congressman Pete Olson:

1. Administrator Jackson, it is my understanding that the Buy American provisions of the stimulus are slowing down a number of projects. What steps is EPA taking to provide better guidance to speed up this process?

Response: For the first time, EPA must apply Buy American provisions to the Clean Water and Drinking Water State Revolving Fund programs. Because of this, many State programs and communities have been struggling to understand how this provision will impact their programs and projects. The Buy American provision is complex because of its broad scope and the need for consistency with US obligations under international agreements. As authorized by the statute, EPA has developed a waiver process that appropriately balances Congress' dual purposes of using ARRA funds to purchase American-made goods while awarding grants and putting the funds to use as quickly as possible. Since many key components of wastewater and drinking water systems are manufactured outside of the US, we anticipate receiving a high volume of waiver requests.

On April 28, 2009, EPA issued a process memo on Buy American implementation and how to obtain a waiver. Additionally, EPA is conducting a series of webcasts with States and the water community, one of which was held on May 19, 2009, to ensure that all of the requirements are understood, the process is clear, and that the Buy American provisions can be implemented as smoothly as possible.

EPA is considering issuing national waivers in appropriate circumstances. EPA issued a national waiver on April 1, 2009. This waived the Buy American requirements for those projects that were initially financed on or after October 1, 2008 and prior to passage of ARRA on February 17, 2009. This waiver corresponds with the ARRA provision that allows refinancing of projects with ARRA funds, the purpose of which was to allow projects to get underway prior to passage of the ARRA.

2. Administrator Jackson, it is my understanding that the EPA has interpreted the Buy America provision to mean that any mixing of stimulus funds with State Revolving Fund money automatically requires the more restrictive Buy America provisions of the stimulus to apply and that US international treaty obligations including the WTO Government Procurement Agreement do not apply to State Revolving Fund projects. What steps are you taking to ensure that the more restrictive Buy America provisions of the stimulus are not being spread to other non-stimulus processes?

Response: Based on the ARRA language in section 1605, which requires that American iron, steel, and manufactured goods be used in any project receiving ARRA funding, any project that is funded in whole or in part with ARRA funds must comply with the Buy American provisions. However, there are many situations in which major construction activities are clearly undertaken in segregable phases that are distinct in purpose, time, or place. In those situations, contracts or assistance agreements funded with non-ARRA monies would carry separate requirements and not be subject to the Buy American provisions.

International trade agreements apply to procurement undertaken by signatories to the trade agreements. For an SRF assistance recipient to be able to meet the obligations of the Buy American provision by citing an international agreement, the recipient must be subject to the agreement. Because the overwhelming majority of assistance recipients are local governments that are not subject to such agreements, such agreements typically do not play a role in SRF projects and the Buy American requirements apply. However, if a State agency receives SRF assistance and is conducting the procurement, where the State agency is covered by a trade agreement, it would not apply the Buy American requirements to products from those countries. Additionally, there are 7 U.S. cities that are covered by an agreement with the European Communities (EC), which means that those cities would not apply the Buy American requirements to products from the EC Member States.

Congressman Shuster

Please provide in writing what EPA is doing to streamline approval processes for (other Agency) stimulus projects.

Answer: EPA is ready to assist federal agencies in realizing the Recovery Act's full promise in a timely and responsible manner. This can best be done on a project specific basis. Our experience to date is that the "shovel ready projects" moving forward have already had the required environmental reviews and approvals. On April 20, 2009, EPA sent a letter to federal agencies asking them to comply with applicable environmental laws and requirements, including NEPA; to think about green practices (tools and best practices available on EPA recovery website) and to collaborate with us by letting us know their planned projects. We are committed to helping other agencies meet all applicable requirements, and to provide timely reviews and approvals as these projects move forward.

STATEMENT OF
THE HONORABLE RAY LAHOOD
SECRETARY OF TRANSPORTATION

BEFORE THE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
UNITED STATES HOUSE OF REPRESENTATIVES

April 29, 2009

Chairman Oberstar, Ranking Member Mica, and Members of the Committee, thank you for the opportunity to appear before you today to discuss the U.S. Department of Transportation's (DOT) progress in implementing the American Recovery and Reinvestment Act of 2009 (Recovery Act). The Recovery Act is an extraordinary response to a crisis unlike any since the Great Depression. The Act is an unprecedented effort to jumpstart our economy, create or save millions of jobs, and put a down payment on addressing long-neglected challenges so our country can thrive in the 21st century. In the ten short weeks since this hallmark legislation was enacted, the Department has been working hard to ensure that the Recovery Act is being implemented quickly, wisely, and with unprecedented transparency and accountability to finance transportation projects throughout America. Today, I want to share with you our accomplishments and our plans for the future.

Even before the Recovery Act was enacted, DOT had prepared an implementation strategy to ensure that the agency would be prepared to implement our elements of the legislation as quickly and effectively as possible. We brought together an intermodal team of experts from our policy, legal, financial, and information technology disciplines to work along side programmatic experts in our operating administrations to anticipate the requirements in the new legislation. This new team – termed the Transportation Investments Generating Economic Recovery, or TIGER, Team – was tasked with coordinating and overseeing the Department's responsibilities and reporting regularly to me on their progress.

The work of the TIGER Team has been instrumental in keeping our implementation on track and I am pleased to report that the efforts of our TIGER Team and many others throughout our Department are achieving success. Of the $48.1 billion of overall resources provided to DOT in the Recovery Act, we have already announced the availability of $44.8 billion. $8.1 billion of these funds have already been obligated on specific projects in 48 States and Territories, and the figures are increasing every day.

To keep the funds flowing and to ensure that accountability and transparency are maintained, our DOT TIGER Team is tasked with a broad range of responsibilities. We have established separate stewardship working groups to coordinate issues such as data reporting, financial management, procurement and grants, job creation, information technology, and accountability. The reporting requirements in the legislation are extraordinary and have required the Department to establish guidance on data and financial reporting to ensure that information provided to the public is accurate and easy to understand. Just recently, we posted maps of the United States on DOT's Recovery Act website showing the number of projects by State and the amount of funds that have been obligated. We are working to refine these helpful depictions of the progress being made in fulfilling the President's objectives for the Recovery Act.

While implementation of the Recovery Act presents significant management challenges, DOT has already taken steps through the TIGER Team to provide effective oversight to ensure that the funds provided by Congress are used efficiently, effectively, and provide maximum benefit to the public.

For example, DOT has developed a systematic and comprehensive approach to risk assessment and management. The risk management tool developed by DOT was so well regarded by the Office of Management and Budget that it subsequently adopted the tool for Government-wide use. The tool uses a four-step approach, which is built upon the sound foundation of internal controls assessments:

- Formal assessment of potential programmatic risks;
- Risk profile that categorizes the level of risk;
- Risk management and mitigation plan; and
- Validation and testing.

As a further check on the extent and validity of our validation work, DOT will be reaching out to partner with another Federal agency to share risk management best practices and to leverage resources for cross validation and testing. At this point, the Department has completed the first two phases of this approach for all Recovery Act programs. We will be continuously updating our risk management efforts due to the nature and sensitivity of risk management for Recovery Act programs.

We are also creating new business processes that make better use of the work done by both the Office of Inspector General (OIG) and the Government Accountability Office (GAO). Early on, we established an Accountability Executive Board that includes top officials from throughout the Department. This group approached OIG and GAO seeking to better ensure that audit findings are thoroughly considered in our Recovery Act programs. First, we broadened the avenues of communication to make certain we had a clear understanding of their concerns as rapidly as possible. We created new mechanisms, including an Accountability Stewardship Group to bring management and the auditors together frequently for a frank, two-way exchange of information. Together with the Inspector General, I have convened a fraud awareness session broadcast throughout DOT to ensure everyone gets the message that we have zero tolerance for waste or fraud. Simply put, I have asked our people to say something if they see something. The Accountability Executive Board continues working with the auditors to identify new and innovative ways that will better enable DOT to anticipate challenges and incorporate the changes necessary to provide the public with meaningful and effective programmatic results.

President Obama, Vice President Biden and you, the members of Congress, have entrusted me with billions of dollars to help create jobs and improve our Nation's infrastructure. I have just visited several states where Recovery Act investments are making a real difference in people's lives. In New Hampshire, for example, I met 35 construction workers hired to make highway repairs. Many of these individuals had been laid off and were called back to work. They are back on the payroll, supporting their families, and contributing to their local economies. Similar stories are playing out in states all over the country. This effort not only puts people to work, but it gets people to work in a way that moves us towards our long-term goals of energy security, a cleaner environment, and more livable communities.

The Federal Highway Administration (FHWA) has been moving at rapid speed and on March 3rd, just two weeks after the legislation was passed, FHWA announced the apportionment of funds to Maryland Route 650 – the first Recovery Act highway project in Maryland. Within six weeks DOT had announced more than 2,000 transportation projects in nearly every State in the Nation. Of the 2,000 projects, 1,860 were FHWA projects and 300 were Federal Aviation Administration (FAA) projects.

Projects are not only being approved ahead of schedule, but they are also coming in under budget. State departments of transportation around the country have reported intense competition by contractors for Recovery Act projects. Some bids have been roughly 15 to 20 percent lower, and some as much as 30 percent lower, than engineers anticipated. For example, in Colorado, the State's bids for the first five Recovery Act transportation projects announced on April 2nd were 12 percent lower than anticipated. In Maine, the low bid for one bridge project was 20 percent lower than estimated. In Oregon, during February and March 2009, bids have averaged 30 percent lower than expected. Just last week I sent a letter to our Nation's Governors and State Secretaries of Transportation, reminding them that any money they save as a result of Recovery Act projects bids coming in lower than anticipated must be used for additional transportation projects.

FAA has been working hard to get Grants-in-Aid for Airports funding distributed to eligible projects. To date, FAA has announced more than $1 billion -- or 94% -- of its airport improvement funding for 301 projects. Of the $200 million provided for Facilities and Equipment projects, FAA has been working on contract awards for air traffic control facility improvements, power system upgrades, new airport runway lighting, and navigation systems and other infrastructure projects.

In the area of transit, the Federal Transit Administration (FTA) has a total of 109 grants totaling $1.47 billion in the pipeline to be obligated. FTA has engaged in significant outreach with stakeholders to inform them of the requirements in the legislation. On March 5th, FTA announced $6.7 billion in formula funding under two transit capital assistance programs and the Fixed Guideway Infrastructure Investment program. FTA is in the midst of receiving grant applications under the Transit Investments for Greenhouse Gas and Energy Reduction (TIGGER) Program. When implemented, the TIGGER grants will reduce greenhouse gas emissions and energy use for decades into the future. FTA has also requested applications for the Tribal Transit Program.

The Federal Railroad Administration (FRA) was given \$8 billion in Recovery Act funds to support the development of a High-Speed Passenger Rail initiative. On April 16th, fifty-seven days after the Recovery Act was enacted, President Obama announced the release of the new High-Speed Rail plan at a well-attended event at the White House. The strategic plan outlines the Administration's vision for high speed rail in America. This Administration believes that high-speed rail can transform travel in America, reduce dependence on cars and airplanes, and spur economic development. We would like states and local communities to put together plans for a network of 100-mile to 600-mile corridors, which will compete for the Federal dollars. The merit-driven process will result in Federal grants as soon as late summer 2009.

President Obama's vision for high-speed rail mirrors that of President Eisenhower, the father of the interstate highway system, which revolutionized the way Americans traveled. Now, high-speed rail has the potential to reduce U.S. dependence on oil, lower harmful carbon emissions, foster new economic development, and give travelers more choices when it comes to moving around the country.

The Recovery Act also includes \$1.3 billion for capital grants to the National Railroad Passenger Corporation (Amtrak), of which \$450 million is to be used for capital security grants, including life safety projects. Priority for the use of non-security funds is to be given to projects for the repair, rehabilitation, or upgrade of railroad assets or infrastructure, and for capital projects that expand passenger rail capacity, including the rehabilitation of rolling stock. Funding was also to be awarded within thirty days after enactment. Amtrak and FRA personnel have worked diligently and expeditiously to identify rail passenger capital projects that meet the Recovery Act requirements, both in terms of their contribution to improving intercity rail passenger service and in terms of prompt initiation of new or expanded projects that will create or retain jobs and support economic development. Consistent with the Act's requirements, FRA and Amtrak executed the American Recovery and Reinvestment Act of 2009 Grant Agreement on March 19th, and Amtrak is moving aggressively to implement Recovery Act funded projects.

The Maritime Administration is also implementing a new shipyard assistance grants program under the Recovery Act. The \$100 million provided in Assistance to Small Shipyards will be used to award grants in this area. As of April 20th, more than 400 individual grant applications had been received.

Finally, the Recovery Act includes a \$1.5 billion discretionary grant program for surface transportation to be administered under my direction. These TIGER grants will be awarded based upon the criteria specified in the legislation after an extensive review process. The criteria for the TIGER Grants are currently in the review process within the Department. There is lots of excitement about this new grant program, and I welcome the opportunity to update you and other members of the Committee at a later date on our progress.

I again want to thank Chairman Oberstar and the Committee for inviting me here today. I can tell you that we are making real progress in achieving the goals of the Recovery

Act. I have had the privilege of standing along side the President and the Vice President at events marking the arrival of Recovery Act funds in cities throughout America. I have seen first hand the excitement on the faces of newly hired workers who now have a job. These people have families to care for and communities that are counting on them. In turn, they are helping to rebuild and refurbish our transportation infrastructure so we can together keep America moving. I will be happy to answer your questions.

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Question Submitted in Writing by Congressman John J. Hall
for The Honorable Ray H. LaHood,
Secretary, U.S. Department of Transportation
House Committee on Transportation and Infrastructure
Hearing on "Recovery Act: 10-Week Progress Report for Transportation and Infrastructure Programs"
April 29, 2009

Secretary LaHood and Administrator Jackson, the primary infrastructure components of the Recovery Act for the most part used existing formulas and programs to distribute funds. The result was an enormous mount of money, in some cases as much or more than the normal program funding, delivered to your agencies with a very strict timeline to spend down the money. So far, that seems to be working. As this Committee looks to reauthorize both the surface transportation program and water infrastructure programs at the EPA, could you each tell us about some lessons learned that we may want to incorporate in to future legislation. For example, does the 120 day "use it or lose it" language make sense in every bill?

RESPONSE: Let me start by stating that every program and Department is different, so DOT's experience in implementing Recovery Act transportation programs may not directly relate to other situations.

With respect to transportation spending, our experience of about 70 days since enactment tells me that putting a focus and priority within the Department as a whole on meeting the objectives of the legislation is key to success. Our "TIGER Team" approach brings every deadline and major objective to the surface, and things get accomplished. Significantly, we have succeeded in shaping major strategies for High Speed rail in this country within the constraints of the Act and on time--something I don't think is likely in a business-as-usual atmosphere.

Another clear advantage of the Recovery Act is the up-front emphasis placed on accountability for spending, making the whole process transparent, and empowering the Department's Inspector General and the Recovery Act Accountability and Transparency Board to ensure no corners are cut. The formalized Risk Assessment process being undertaken across government at the direction of the Office of Management and Budget is a model for ensuring that future Federal government infrastructure funding is spent wisely.

We will know more as the Act is fully implemented, but I want to respond to your specific suggestion that short deadlines for spending grant awards could be more universally employed. While I have not had a long experience with the programs here, I would be cautious about this approach beyond its clear applicability here, where the primary objective is to kick-start the economy. While the Recovery Act 120-day rule for the highway and airport programs (and 180 days in the case of transit funding) was intended to get funds into the economy as quickly as possible to put Americans back to work, this tends to put the easiest-to-move projects at the top of the list, rather than the most necessary projects. Taking highways as an example, it is obviously easier to move a resurfacing project than a major reconstruction project. This is not appropriate as a long term approach.

Further, there is already a 1-year use it or lose it rule for the vast majority of highway funds. This is in the form of the annual obligation limitation. By law, States that fail to use all their annual obligation limitation must turn it in late in the fiscal year so that it can be redistributed to other States. This is effective. States work hard to avoid having to turn in any of their obligation limitation they receive for the highway formula programs.

Questions Submitted in Writing by Congressman Michael E. McMahon for The Honorable Ray H. LaHood, Secretary, U.S. Department of Transportation House Committee on Transportation and Infrastructure Hearing on "Recovery Act: 10-Week Progress Report for Transportation and Infrastructure Programs" April 29, 2009

1. Secretary LaHood, the economic downturn has put enormous pressure on the annual operating budgets of our local transit agencies, so just as they are building physical infrastructure projects with our federal capital infusions they are cutting bus and subway routes, and severely reducing service. In fact in NYC, the MTA has instituted a doomsday budget that will sharply raise fares at reduce service by almost 30 percent and eliminate entire routes.

And I am sorry to say that NYC is not alone - this is happening all across the country.

I have signed on to an effort with my colleagues Congressmen Lipinski and Carnahan to urge some flexibility in the use of federal transportation funds to support transit operating assistance. What can we do on the Federal side to help fund transit operating costs now and going forward?

RESPONSE: You rightly point out the difficulty transit operators face across the country--that we have been able to provide infrastructure assistance in the face of the economic downturn, but that they are caught on the operating side by the decline in economic activity and thus the local funding sources that support operations.

I would point out that current law allows recipients of FTA formula program funds in small urbanized areas, small urban areas, and rural areas to use the funds they receive for operating assistance. Operating assistance is funded at a 50-percent Federal share.

All recipients of FTA formula funds, including the Metropolitan Transportation Authority, may use capital funds for eligible operating expenses, that is, preventive maintenance. Preventive maintenance for vehicle maintenance as well as non-vehicle maintenance, includes all the activities, supplies, materials, labor (wages, salaries, and benefits for maintenance workers, as well as casualty insurance), services, and associated costs required to preserve or extend the functionality and serviceability of the asset in a cost effective manner, up to and including the current state of the art for maintaining such asset. Preventive maintenance is funded at an 80-percent Federal share. Since urbanized areas with a population over 200,000 cannot use Federal funds for non-maintenance operating expenses, this eligibility has really helped grantees meet their bottom line. In general, transit agencies should be aided by the influx of Recovery Act dollars, which should give them more flexibility when developing their capital and operating budgets.

2. Secretary LaHood, many agencies across the country are looking at ways to leverage the use of stimulus funds with other federal transportation programs to increase the size

and number of projects eligible for funding. But there is a fear that including other transportation funds, such as the Congestion Mitigation and Air Quality (CMAQ) program could slow down some of these projects - could you give us some insight into this issue?

RESPONSE: In the context of the Recovery Act and the need to expend funds rapidly, I think the idea of combining funding sources needs to be addressed on a case-by-case basis to avoid any slowdown in expenditures. Combination or split-funding of Federal-aid projects has served in some cases to accelerate implementation schedules. The application of different sources of funding can leverage one Federal-aid program with another as complementary projects or elements of the same project are supported simultaneously, as opposed to sequentially. Of course the project funded must meet eligibility requirements that attach to the funding source. For example, a number of port and intermodal projects proposed recently for Recovery Act funding also carry elements eligible for funding under the Congestion Mitigation and Air Quality (CMAQ) program. A dual funding approach for such efforts could help assure a steady funding stream and steady progress of all phases of a project.

3. Secretary LaHood, from my background as a member of the NYC Council, I know first hand the frustration our cities and localities have with the Federal Transit Administration (FTA). What are you and the Administration doing to streamline the FTA approval process and what tools can we in the Congress provide you with to help you make real changes to the FTA?

RESPONSE: Streamlining the Federal Transit Administration's (FTA) grant-making process is an important goal. FTA strives to award grants as expediently as possible. As stewards of the taxpayer dollars, FTA must ensure that all Federal statutory requirements are met and that local agencies have the legal, financial, and technical capacity to manage Federal funding and the projects supported by that funding. With the enactment of the Recovery Act, FTA and eligible recipients are working together to streamline the application process for ready-to-go public transportation projects. Working with the new FTA Administrator, I hope to take the lessons learned through Recovery Act and consider them as possible program-reform proposals during the reauthorization process.

Questions Submitted in Writing by Congressman Pete Olson
for The Honorable Ray H. LaHood,
Secretary, U.S. Department of Transportation
House Committee on Transportation and Infrastructure
Hearing on "Recovery Act: 10-Week Progress Report for Transportation and Infrastructure Programs"
April 29, 2009

1. Secretary LaHood, President Obama signed the American Recovery and Reinvestment Act into law over two months ago with the goal of creating new jobs and promoting long term, sustainable job growth. According to the Administration's own numbers the unemployment rate for construction jobs in March of this year was up an additional 9.1% from where it was in March 2008 when it was 12%. In regard to unemployment rates in the construction sector, are there any expected or targeted goals that this administration has set forth in hoping to reach? In addition, is there a timeline as to when you hope to meet these targeted employment goals?

RESPONSE: The Obama Administration does not have any expected or targeted goals with respect to the unemployment rate in the construction industry. In January 2009, Christina Romer, now the Chair of the Council of Economic Advisers, and Jared Bernstein, now the Chief Economist in the Office of the Vice President, prepared a forecast of the likely effects of the Recovery Act that President Obama expected to sign after he took office. That forecast indicated that the Recovery Act was likely to add 678,000 jobs in the construction industry by the 4th quarter of 2010. I need to emphasize that this was a forecast, not a goal.

The unemployment rate in the construction industry reached its peak in February 2009, when it reached 21.4 percent, just about the time that President Obama signed the American Recovery and Reinvestment Act (ARRA). Since ARRA was signed, the unemployment rate in the construction industry has fallen to a rate of 18.7 percent in April. We believe that ARRA has already had an impact on reducing unemployment in the construction industry, and that that impact will become greater as more ARRA-funded projects begin construction.

2. Recent news reports have indicated that President Obama signed an executive order requiring project labor agreements (PLAs) for federally funded construction projects including those funded with "stimulus" dollars. My concern is that this may leave out a lot of small businesses and their employees who are precisely the ones this "stimulus" package was aimed to help put back to work. Has the Department been focused on this issue? Has the Department worked with individual states to determine if PLAs will actually be the most efficient and cost effective means of construction of transportation projects?

RESPONSE: Executive Order 13502 ("the E.O.") on the Use of Project Labor Agreements for Federal Construction Projects, does not require project labor agreements (PLAs). The E.O. encourages executive agencies to consider requiring the use of PLAs on large-scale construction projects (those where the total cost to the Federal Government is $25 million or more) on a project-by-project basis. Although the E.O. specifically pertains to direct Federal construction, it also specifies that it does not preclude the use of PLAs for federally-assisted projects.

A PLA is a project specific negotiated agreement between the project owner or construction manager and one or more labor organizations that is reached at the outset of a project to guarantee efficient, timely and quality work; establish fair and consistent labor standards and work rules; supply a skilled, experienced and highly competent workforce; and ensure stable labor-management relations.

PLAs have a long and successful history in achieving economy and efficiency in public works projects. These agreements have also been used successfully in a significant number of major transportation projects and have been instrumental in ensuring that the projects were completed on time and within budget. Use of this tool by the Department in its own construction contract awards and by its recipients in DOT-funded construction projects, where appropriate, will provide structure and stability to large-scale construction projects and promote economy and efficiency in Federal procurement.

Regarding the impact on small business, the E.O. has not placed any burden on small businesses. The Obama Administration is very sensitive to the interests of small businesses because we understand the enormous contributions they make to the economic vitality we enjoy in this country. The E.O. applies to a project that exceeds $25 million. In the case of our Department, many DOT direct construction contracts are for projects below $25 million--which are beyond the coverage of the E.O. – and these projects would appear to be prime candidates for small business bids. In addition, small businesses can team with large businesses to bid on the larger construction projects or act as subcontractors to the large prime contractors on the large-scale construction projects.

The Department places a strong emphasis on assisting small entrepreneurs through our Office of Small and Disadvantaged Business Utilization. I am firmly committed to continuing to provide business opportunity to small, and small and disadvantaged businesses through highway and transit construction contracts and would do nothing to endanger small business prospects for contracting opportunities.

Most important and most clearly set out in the E.O. is that PLAs should be employed where they will advance the Government's procurement interest in economy and efficiency and in producing labor-management stability as well as compliance with applicable legal requirements. We need to ensure, as responsible managers of federal resources, that we use the variety of techniques available for fiscally responsible management.

3. With hurricane season rapidly approaching, does the Department of Transportation intend to work with the emergency preparedness sector to ensure that projects of national significance are identified in order to move more people out of the path of a hurricane faster, especially the vulnerable senior population?

RESPONSE: The Department of Transportation actively supports the Federal Emergency Management Agency (FEMA) in carrying out its responsibilities, which now include the planning of mass evacuations. Under law, FEMA must "establish any guidelines, standards, or requirements determined appropriate . . . to ensure effective mass evacuation planning" and," in coordination with the heads of other appropriate Federal agencies, . . . provide evacuation preparedness technical assistance to State, local, and tribal governments, including the preparation of hurricane evacuation studies and technical assistance in developing evacuation plans, assessing storm surge estimates, evacuation zones, evacuation clearance times, transportation capacity, and shelter capacity."

Our Department is continuing the development and publication in coordination with FEMA of a series of guides on mass evacuation, available at http://ops.fhwa.dot.gov/eto_tim_pse/index.htm. DOT and FEMA jointly sponsored a conference on evacuation contraflow roadway operations earlier this year. DOT provided at FEMA's request personnel to participate full time in evacuation planning for Louisiana through the summers of 2006 and 2007, and provided extensive operational support for road, rail, and air elements of the Hurricane Gustav evacuation in 2008.

Operationally, during any mass evacuation event involving Federal support to state/local/tribal governments, when activated by FEMA, DOT will "monitor and report status of and damage to the transportation system and infrastructure as a result of the incident" as one of DOT's five responsibilities as primary and coordinating agency for Emergency Support Function 1 (transportation) under the National Response Framework.

"Progress on Implementing the American Recovery and Reinvestment Act of 2009"

Testimony
of
Matthew J. Millea, Acting President
New York State Environmental Facilities Corporation

Before

The United States House of Representatives
Transportation and Infrastructure Committee

April 29, 2009

Introduction and Background

Chairman Oberstar, Ranking Member Mica, honorable members of the Transportation and Infrastructure Committee, on behalf of Governor David A. Paterson and the Environmental Facilities Corporation's Chairman, Commissioner Alexander "Pete" Grannis, thank you for inviting New York to participate in today's hearing on the implementation of the American Recovery and Reinvestment Act (ARRA).

The Environmental Facilities Corporation (EFC) administers the Clean Water State Revolving Fund (CWSRF) on behalf of the New York State Department of Environmental Conservation (DEC) and administers the Drinking Water State Revolving Fund (DWSRF) jointly with the New York State Department of Health. EFC is a public benefit corporation with a seven-member board of directors and a staff of one hundred and thirty dedicated public employees. Today, I will focus my comments on the Clean Water State Revolving Fund.

EFC has administered the CWSRF in New York State since its launch in 1990. Since then, we have received roughly $3 billion in federal capitalization grants. Using those funds and the required state match proceeds, we have provided almost $10 billion dollars in subsidized financial assistance to more than 1,300 clean water projects throughout New York State. We provide a 50% interest subsidy to our traditional CWSRF clients and additional interest subsidy for qualified hardship communities, most of which qualify for zero percent loans. We estimate that the total avoided interest for the projects financed to date will total more than $3 billion at maturity.

As is true in every state, New York faces a seemingly insurmountable challenge to restore and construct the infrastructure needed to achieve compliance with state and federal water quality standards. Prior to the enactment of ARRA, EFC and DEC collaborated on a needs report which found that New York will need more than $36 billion in capital investment for clean water infrastructure over the next two decades. New York's 2009 CWSRF Intended Use Plan (IUP) includes more than $4.5 billion in requests for financial assistance. Following the enactment of ARRA, Governor Paterson, via his economic recovery website, received an additional $6.5 billion in requests for ready-to-go sewer and wastewater treatment projects in New York, bringing our immediate demand for financing well in excess of $11 billion for close to 2,000 projects.

ARRA Implementation

The American Recovery and Reinvestment Act, in our view, is representative of this Committee's recognition and commitment to provide desperately-needed funding for clean water projects throughout the country and moreover, representative of a shift in the federal government's approach to funding these important environmental improvements.

There is no question that the $4 billion included within ARRA for clean water funding was desperately needed and is greatly appreciated.

As directed by Congress and President Obama, New York State is moving quickly to obligate these funds to qualified, ready-to-go projects. Immediately following this Committee's economic stimulus hearing in October at which Governor Paterson's Deputy Secretary for the Environment, Judith Enck, testified, EFC began to prepare for an increase in CWSRF funding. We worked to streamline our loan application and loan review processes, conducted meetings and conference calls with our colleagues in state government and US EPA, and initiated outreach efforts to inform potential clients of the need to be prepared to move quickly when a stimulus package became law.

In addition, prior to the enactment of ARRA, Governor Paterson convened an Infrastructure Cabinet to coordinate the State's efforts to implement the pending stimulus legislation. As a result, we have been working very closely with our colleagues in State government to ensure that we provide these monies quickly to eligible projects, that we remain in full compliance with all reporting and tracking requirements, and that we are administering these monies in a transparent and equitable manner.

With regard to ARRA implementation, I would like to take this opportunity to express my thanks to EPA Administrator Lisa Jackson and her staff, who have worked tirelessly over the past two months to help the states succeed in the implementation of ARRA. Only days after ARRA's enactment, EPA issued draft guidance on implementation, giving the states their first glimpse at what steps would be required to apply for, receive approvals on and begin to distribute these monies. EPA has hosted numerous nationwide webcasts, providing the states with expert advice and guidance on how to properly amend our Intended Use Plans, identify eligible "green innovation" projects and submit formal grant applications. I cannot stress enough the deep appreciation we feel for the leadership shown by Administrator Jackson throughout this effort, and for the ongoing assistance offered by Jim Hanlon and his staff in EPA's Office of Wastewater Management, Cynthia Dougherty and her staff in EPA's Office of Ground Water and Drinking Water, and our partners at EPA Region 2. They have all worked very hard to help the states move forward quickly on this important mission.

And moving quickly we are. I am very pleased to report to you today that New York State has already applied for and received conditional grant approval from EPA for its CWSRF ARRA funding. We were thrilled to have Administrator Jackson travel to Albany on April 3rd to present Governor Paterson with our formal grant approval for $432 million. This is the largest CWSRF grant in the history of the program and I understand the single largest grant in the history of EPA.

An important question I intend to answer for the Committee today is how we intend to use these monies. As stated previously, New York does not lack demand for these resources. As required by ARRA, we have developed what we believe is an efficient and effective plan to fund ready-to-go, job-creating projects, while also promoting the Act's focus on building energy efficient, water efficient, and environmentally innovative projects. We believe that it is both possible and necessary to build fast, but also to build better.

ARRA requires states to reserve 20% of their capitalization grant for green innovations projects, which for New York is approximately $86.5 million. We intend to distribute all of these monies as grants or principal forgiveness.

We are extremely excited by the opportunity provided by ARRA's Green Reserve requirement and have developed a two-pronged approach to administer these monies. As stated earlier, first we want to ensure that we build facilities financed with ARRA monies using the most up-to-date, energy and water efficient technologies. Providing Green Reserve monies for these improvements will allow EFC to work with its clients and improve project plans to include items that otherwise may have been viewed as "experimental" or simply too costly to consider under a 100% loan scenario. We will use $51.5 million of our Green Reserve as additional principal forgiveness in an effort to update and improve treatment and collection facilities receiving ARRA monies via our traditional funding categories.

EFC has opted to obligate the remaining $35 million in Green Reserve monies to a new, Green Innovations Grant Program (GIGP). On April 13th, Governor Paterson announced a call for projects for this new program and we expect tremendous demand for these resources from communities, not-for-profits, school districts and potentially private businesses. The GIGP will provide 90% grant funding to non-traditional SRF projects that accomplish the objectives of the Clean Water Act. Eligible projects may include the deployment of low-impact development strategies including the use of "green infrastructure," green roofs, urban forestry, energy efficiency measures at wastewater treatment facilities and water conservation strategies.

We believe that this combined effort will ensure that our clients build or upgrade their wastewater treatment facilities using state-of-the-art technologies while also deploying non-traditional stormwater control and water conservation measures. I would like to note that although there is a waiver provision for the use of Green Reserve funds in ARRA, New York is confident that we will use the full 20% for qualified green innovations projects and we do not intend to seek a waiver from EPA for an alternative use of these monies.

Of the remaining ARRA monies, EFC has opted to use only 2.75% of the capitalization grant for administrative purposes rather than the statutorily permissible 4%, leaving $385 million in funding for conventional wastewater treatment and collection projects.

Due to the significant demand for CWSRF funding prior to the enactment of ARRA, EFC opted not to open the 2009 Intended Use Plan to unlisted projects. While this was a difficult decision to make, and not one that was taken lightly by staff, or our Board of Directors, we felt it was important to dedicate our efforts to identifying and working with previously listed, ready-to-go projects. I would like to assure the members of this committee, however, that we will work with every community seeking financial assistance to determine their projects eligibility for SRF funding and we will list those projects on the 2010 IUP for future funding opportunities.

With regard to the additional subsidization authorized in ARRA, EFC opted to provide eligible projects with 50% principal forgiveness and 50% loan financing. We wholeheartedly welcome the return of federal grant funding for clean water projects and encourage Congress to continue some level of grant funding for the CWSRF beyond ARRA, as you have done in the recently passed House Reauthorization bill.

In an effort to stretch our ARRA grant as far as possible, we intend to combine ARRA monies with conventional SRF monies in order to provide this benefit to as many eligible projects as possible, while maintaining our 50% grant/50% loan policy. For example, a community that qualifies for ARRA funding and has a $10 million project will receive $5 million in principal forgiveness and $5 million in low-cost, SRF financing. As discussed earlier in my testimony, communities may increase their grant funding by including energy efficiency measures and other green innovations. For instance, our $10 million project may now include an additional $750,000 in energy efficiency improvements and $250,000 for the construction of a green roof. This $1 million increase in project costs will be fully funded using our Green Reserve allocation thus providing our client with $6 million in total principal forgiveness and $5 million in low-cost financing.

As directed by the Committee report on ARRA, EFC has increased benefits for communities deemed to fall into our hardship category. EFC has a long-standing approach to determining hardship status using a combination of median-household income, project costs as well as operation and maintenance costs, and a per household target service charge. Communities deemed to meet our objective hardship criteria qualify for enhanced programmatic benefits through our traditional program and for ARRA funding.

Qualified hardship communities currently receive increased interest subsidy as low as zero percent in order to help make projects more affordable for the end user. We intend to provide our hardship clients with increased loan subsidization up to 80% principal forgiveness. In the event that a project achieves affordability using zero percent financing, we will still provide the community with no less than 50% principal forgiveness.

I would like to provide the Committee with one example of how the additional financial assistance provided by ARRA is certain to help rural communities throughout the country. In upstate New York, EFC has been working for several years with a municipal client that is under a consent order with our environmental regulators to upgrade their wastewater treatment facility, which will cost the community $7 million. The community is also under order from the Department of Health to build a new water treatment and delivery system at a cost of an additional $3 million. This is not atypical, but shockingly this $10 million price tag is for two systems that serve only 100 households. Absent the grant funding now authorized by ARRA, the sewer rate alone would be $1,453 per household annually. In providing ARRA funded principal forgiveness, we are able to reduce this cost by 43% to $827 per year.

As stated earlier, we are moving quickly to create and retain the jobs necessary to make these important environmental projects a reality. On April 14th, EFC's Board of Directors approved ten ARRA-eligible projects requiring $170 million in financial assistance. These projects represent our first phase of project funding. When complete, these projects will help to remove nitrogen from Long Island Sound, protect the Ramapo River watershed in New York and New Jersey, improve the social and economic viability of two rural communities in upstate New York and promote the use of green infrastructure to mitigate storm water runoff in the City of Syracuse.

Our Board of Directors will meet again on May 14th and June 30th to approve additional ARRA-eligible projects. We expect to obligate our entire ARRA grant no later than July and we are asking that all ARRA funded clients award all of their construction contracts no later than January 1, 2010, rather than February 16, 2010, as authorized by ARRA. This requirement will help us to ensure that approved projects receive the technical assistance and staff support they need to comply with the various requirements of the traditional CWSRF program and ARRA.

In an effort to aide our clients with ARRA reporting requirements we are exploring the option of procuring consulting services to ensure that our clients are reporting appropriate and necessary information in a timely manner and complying with the Act's Disadvantaged Business Enterprise (DBE), wage and Buy American provisions. We feel that this is a very worthwhile investment on our part to ensure compliance and continued transparency of how SRF clients utilize ARRA monies.

While there are many challenges to implementing ARRA, our greatest challenge to date is without a doubt the Act's Buy American provision. We fully support Congress' effort to ensure that ARRA monies benefit American manufacturers and companies, but we remain gravely concerned about potential project cost increases, unavailability of materials, and the inability to use innovative technologies not produced in the United States.

In the water and wastewater world in particular, many technological improvements that we are encouraging through ARRA's Green Reserve have been tested and are produced in foreign nations. In working to implement ARRA, it has become apparent to SRF administrators throughout the nation that there is an inherent conflict in the Act's Buy American provision and the Green Reserve incentive. While we would prefer to have these monies invested domestically, the reality is that many technological innovations require foreign made systems and materials.

We await further guidance from the Commerce Department and EPA on the details of this provision, but we ask that the Committee and our partners in the Obama Administration work to provide as-soon-as possible, a clear and uniform administrative approach to implementation of Buy American. We also ask that Congress grant the EPA Administrator broad discretion to waive Buy American when implementing the Act's Green Reserve requirement and doing so is in the best interest of achieving ARRA's overarching goal of creating immediate jobs.

CWSRF Reauthorization

ARRA represents the single largest investment in the history of the Clean Water SRF program. In our view, we believe ARRA also represents the beginning of a new generation of water finance in our nation. The Construction Grants Program of the 1970s was tremendously successful in restoring the natural health of our nation's waterways but many would argue inefficient. The SRF programs have proven to be extremely efficient in utilizing state and federal resources in a cost effective manner free from the waste, fraud and the sometimes abuses of large grant programs, but many communities simply cannot afford 100% project financing, even at a subsidized interest rate. ARRA is truly a hybrid approach, taking the best of both programs and expanding the purview of the SRFs to provide some grant funding while also promoting the use of energy efficient, water efficient and other green innovations at our nation's wastewater treatment facilities.

On behalf of Governor Paterson, I would like to again express our gratitude for the leadership shown by Chairman Oberstar and this committee in recently advancing the Water Quality Investment Act of 2009 (HR 1262) in the House. We look forward to continuing to work with you and your colleagues in the Senate to ensure enactment of this important legislation.

Clearly, the members of this Committee, and many of your colleagues in Congress recognize the need to continue the state/federal partnership that supports the construction and maintenance of our nation's aging water infrastructure. Simply put, many communities cannot afford to go it alone and simply transfer the full cost of these costly projects to ratepayers. We do believe that communities should charge appropriate, affordable rates in order to sustain their water infrastructure. Charging appropriate rates, however, does not imply that every community must charge the full cost of its capital projects to its ratepayers. Instead, we support an approach similar to our ARRA hardship program, where communities borrow what they can afford, using objective, predetermined criteria and receive principal forgiveness, or other enhanced subsidization for the balance of project costs. We believe that this approach will ensure that communities are treated equitably and that grant funds will be used sparingly and in the most needed and efficient circumstances.

Governor Paterson is also committed to and embraces the philosophy that communities seeking financial assistance to construct water infrastructure should develop and implement asset management plans that guide the maintenance and operations of these facilities. At the Governor's direction, we are exploring the option of asking municipalities to adopt and implement comprehensive asset management plans for their publicly owned treatment works. Properly designed management plans help to reduce operations and maintenance costs and will help to ensure the longevity of the capital infrastructure we help to finance well beyond its useful life.

We agree with the sentiment that we should not, nor as a nation can we afford to, face a water infrastructure funding crises every thirty years as our first, and now second, generation of treatment facilities begin to age out. We have come too far since the 1972 amendments to the Clean Water Act and we simply cannot afford to lose the ground we have gained by under investing in our nation's water infrastructure.

Conclusion

This is truly an historic time in the world of water finance and I would like to once again thank you Mr. Chairman, and the Committee for your long-standing and continued support of the SRF programs. SRF administrators throughout the nation have worked tirelessly to earn the respect and trust of Congress and I am confident that we will maintain that trust and respect throughout the administration of the ARRA program and beyond.

I would also like to express our gratitude to our partners at the Council of Infrastructure Financing Authorities (CIFA) and the Association of State and Interstate Water Pollution Control Administrators (ASWIPCA) for their tremendous efforts in coordinating and organizing state responses to Committee requests for information. Throughout the stimulus debate, both organizations played a significant role in ensuring that we provided you and your staff with timely and accurate information from the states and that the states were aware of how we could assist in your efforts to include this vital program in the final ARRA legislation.

While we still have much work to do, I believe that most, if not all states, are off to a great start and I look forward to submitting further reports to the Committee on our continued success as we make further progress on implementing the ARRA program.

Written Testimony of:

Michael Morris, P.E.
Director of Transportation
North Central Texas Council of Governments
616 Six Flags Drive
Arlington, Texas 76011

April 29, 2009

Before the:
United States House of Representatives
Committee on Transportation and Infrastructure

Regarding:
Recovery Act: 10-Week Progress Report for Transportation and Infrastructure Programs

My name is Michael Morris and I am the Director of Transportation for the North Central Texas Council of Governments. I also serve as staff director for the Regional Transportation Council, the Metropolitan Planning Organization for the Dallas-Fort Worth metropolitan area.

Good morning Chairman Oberstar, Ranking Member Mica, and Committee Members. Mr. Chairman, thank you for coming to our region earlier this month and Congressman Mica, thank you for joining Congressman Burgess for our annual transportation summits. Congresswoman Johnson, thank you for your transportation leadership and all of your commitment to transportation solutions in the Dallas-Fort Worth region.

Thank you for the opportunity to testify before your committee today. I am here today on behalf of the Association of Metropolitan Planning Organizations, a national group representing nearly 400 MPOs across the country.

I am pleased to be here today to share the experience of Metropolitan Planning Organizations with the American Recovery and Reinvestment Act. We appreciate very much the inclusion of transportation funding as part of this legislation to jump-start the economy. Transportation investments not only create direct construction jobs, but they also create secondary, even a greater number of jobs due to economic multipliers. Regions that select capacity improvements have a third benefit of increased productivity leading to private sector job growth. I would like to share a few examples from across the country as well as specifically the Dallas-Fort Worth experience.

First, I wish to commend the Federal Highway Administration and the Federal Transit Administration for communicating guidance about the recovery funds as the information became available. Given the importance of moving quickly, everyone truly did the best we possibly could to make wise transportation investments. Since this is a very special circumstance, I suggest we take advantage of this momentum to continue to streamline project implementation.

National Examples

On behalf of the Association of Metropolitan Planning Organizations, I would like to highlight some common themes that metropolitan regions have noted. As the economic generators for the nation, metropolitan areas appreciate the opportunity to have funding directly allocated to MPOs. Supporting the principles established in ISTEA regarding transportation management areas is greatly appreciated. We fully support your efforts to make this funding completely transparent including public involvement and full reporting of expenditures and job creation. So far, the reporting by a single state agency has worked well and we anticipate that to continue.

Most metropolitan areas have found that this funding represents the completion of a funding package for projects that have been on hold. These projects may have had to wait another year or longer in order for funding to accumulate, but now they can proceed much more quickly. With construction cost inflation still a concern, any way to expedite projects helps keep costs reasonable.

For small metropolitan regions, this funding has provided a much-needed lifeline. Projects have stagnated because funding allocations are simply not keeping pace with needs. Economic recovery funds are doubling what these regions would have been able to build without this legislation.

Whether large or small, MPOs have been closely involved with the implementation of the American Recovery and Reinvestment Act. We have reached out to partner organizations, reached out to the public, moved quickly, and are eager to report progress. We can meet the timelines and appreciate the opportunity to help the national economy recover.

The Dallas-Fort Worth Experience

The Texas Department of Transportation has done an excellent job of informing all of the Metropolitan Planning Organizations in the state about deadlines, project eligibility, and reporting requirements. We have been holding weekly conference calls statewide for the last three months.

The experience in Dallas-Fort Worth tells a very interesting story of partnerships, leveraging, and innovation. Our MPO received a direct allocation of $143 million for highway projects. We held a series of public meetings to get input on how best to allocate this money. The overwhelming opinion was to fund large-scale projects that would provide a legacy for our region. As a result, the Regional Transportation Council funded two projects which maximized employment opportunities in the short run as well as job creation over the long run. In addition, the Texas Transportation Commission adopted a similar approach statewide and agreed to fund one $250 million project in our region to complete a design-build contract. This represents a $393 million infusion of highway funding, but that is only part of the story.

A recent toll road agreement with the North Texas Tollway Authority provided $3.2 billion to fund additional transportation improvements in the Dallas-Fort Worth region. Projects were selected from across our region to be expedited with these funds, but a confusion of two state laws led to one of our counties being excluded from receiving the funds promised. In essence, millions of dollars have been held in reserve, but would never have been able to be spent. The Regional Transportation Council, after public involvement on this concept, decided to allocate the entire $143 million of recovery funds to the excluded county. By doing this, the equivalent amount of toll road monies have been freed up and reallocated to other transportation projects in the eligible counties. So, not only did the economic recovery money help advance needed projects, but it solved a problem of funding projects promised to one of our counties.

In addition to innovative partnerships within our region, we are leveraging the economic recovery funds into much larger projects with many jobs being created. The $143 million has been allocated to two interchanges between major highways and the long-awaited Southwest Parkway toll road project. These projects are under design, and will be let for construction starting this summer. In addition, a funding commitment was made to these interchanges which means that the North Texas Tollway Authority can proceed with the rest of this vital project.

The $250 million allocation from TxDOT completes a funding package for the DFW Connector, a massive project to unclog the convergence of several major highways just north of the Dallas/Fort Worth International Airport. The DFW Connector is underway, being developed as a design-build contract that will add highway lanes, frontage roads, and managed lanes to an extremely congested area.

We also greatly appreciate the transit funding provided by the economic recovery legislation. The Dallas-Fort Worth region received $93 million through the Federal Transit Administration for our transit providers. For example, the region was able to provide needed funding to a Dallas Area Rapid Transit light rail project – in fact, it is the largest light-rail project in the entire country. That project has already received approvals and is quickly moving forward. In partnership with the regional office of the Federal Transit Administration, I signed the Section 1511 Certification to advance this initiative.

Finally, I would like to mention that because of the tight deadlines associated with getting these projects to construction, all of the partners have had to rearrange priorities and be extremely flexible. Existing partnerships, innovation, flexibility, and good communication have been critical to the success of this initiative.

The projects of MPOs are moving forward as specified in this legislation.

Future Considerations

In the near-term, we are excited that these projects, that have been in the planning phase for many years, are finally moving to construction. We feel like team members helping the nation to reduce job loss and get unemployed families back to work. This effort will create better-paying jobs in the construction and supporting fields. Our regions will also get quality transportation assets put on the ground so when the economy is in full swing again people can more easily travel to and from work, school, and entertainment.

Metropolitan regions are also waiting for guidance on the $8 billion in high-speed rail funding as well as the $1.5 billion in discretionary transportation funds. Both of these opportunities are important for MPOs to showcase regionally and nationally significant projects that display innovation and a commitment to transform our transportation system beyond what it is today.

These two initiatives will transition well into the upcoming surface transportation authorization. The country will be focused on large-scale transportation projects that can be implemented quickly. Why can't we incorporate these principles into the next transportation bill? Eliminating stovepipes, advancing multimodal investments, creating sustainable communities, and streamlining the review process while still protecting the environment would enhance our ability to reduce congestion, improve air quality, and use resources wisely.

As we look forward, we still need help from Congress. Expediting transportation projects using general funds at the same time as having to address rescissions from the Highway Trust Fund is a problematic future. Some projects are now skipping ahead of other projects that have previously been funded. Stabilizing the Trust Fund creates a more coherent program.

Metropolitan Planning Organizations stand ready to work with you on jump-starting the economy by implementing projects through the economic recovery bill and insisting on long-term solutions to transportation issues. It has been my pleasure to testify before your committee today, and I would be happy to answer any questions you may have.

PAUL F. PROUTY

ACTING ADMINISTRATOR

GENERAL SERVICES ADMINISTRATION

BEFORE THE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

U.S. HOUSE OF REPRESENTATIVES

APRIL 29, 2009

Good Morning Chairman Oberstar, Ranking Member Mica, and members of this Committee. My name is Paul Prouty and I am the Acting Administrator of the General Services Administration (GSA). Thank you for inviting me to appear before you today to discuss GSA's contribution to our nation's economic recovery through the green modernization and construction of our buildings.

GSA's Public Buildings Service (PBS) is one of the largest and most diversified public real estate organizations in the world. Our inventory consists of over 8,600 assets with nearly 354 million square feet of rentable space across all 50 states, 6 territories and the District of Columbia. Our portfolio is composed primarily of office buildings and courthouses, land ports of entry, and warehouses. GSA's and PBS's goal is to manage these assets responsibly while delivering and maintaining superior workplaces at best value to our client agencies and the American taxpayer.

The funds Congress has provided us through the American Recovery and Reinvestment Act (the Recovery Act) are a sound investment in several respects. First, the money will help GSA reduce its energy consumption and improve the environmental performance of its inventory. Second, the funds, in large part, will be invested in the existing infrastructure, which will help reduce our backlog of repair and alteration needs, thus increasing the assets' value, prolonging their useful life, and ultimately further conserving our country's resources. Third, the money will lessen our reliance on costly operating leases by providing more government owned solutions for the long-term requirements of our customers. Finally, we will stimulate job growth in the construction and real estate sectors and long-term improvements in energy efficient technologies, alternative energy solutions, and green building technologies.

Today, I will describe the steps we have taken to carry out PBS's portion of the Recovery Act. We know that this is not business as usual and we are moving forward with speed, tempered by careful consideration of our procurement responsibilities and our ultimate accountability to the taxpayer. In order to successfully accomplish its portion of the Recovery Act, PBS formed a nationally managed, regionally executed Program Management Office (PMO) to execute Recovery Act program activities. The Recovery Act execution efforts will be centralized in a small, cohesive PBS national office, staffed with experts and supported by high performing associates, as well as industry hires and appropriate contract/consultant resources to ensure successful program implementation. The PMO will execute Recovery Act activities on an aggressive schedule using streamlined business processes and innovative approaches to project execution, including geographic zonal oversight. It will also ensure that projects are delivered on time and on budget and will be an "early warning system" for projects that are not meeting anticipated targets.

The PMO is supported at the national level by an Executive Steering Committee headed by the Deputy Commissioner. The Executive Steering Committee will develop overall program strategy and priorities; approve changes to the project list; and address national customer concerns. At the regional level, the PMO is supported by a set of three zonal steering committees which will assist in tracking and monitoring project progress.

PBS has moved quickly. On March 31st, GSA delivered to Congress a list of 254 projects in all 50 states, the District of Columbia, and two U.S. territories to be completed with funds provided by the Recovery Act. These projects fall into the following categories: new Federal construction; full and partial building modernizations; and limited-scope, high-performance green building projects. In the new Federal construction category, we will invest $1 billion in 17 projects; in the building modernization category, we will invest $3.2 billion in 43 projects; and in the limited-scope green buildings category, we will invest $807 million in more than 194 projects totaling over $5 billion.

Of the $5.55 billion PBS received in the Recovery Act, our goal is to obligate $1 billion by August 1st and another $1 billion by the end of the calendar year. We have set goals for project awards in each quarter, with high goals for the early quarters, to ensure that we obligate $5 billion by the end of fiscal year 2010 and an additional $550 million by the end of fiscal year 2011, as required by the Recovery Act. As of last week, we had already obligated $64 million for the funding of the final renovation phase of the historic art deco Thurgood Marshall U.S. Courthouse in New York City and $500 thousand for architect/engineer study and scope development for the Poff Federal Building in Roanoke, Virginia.

The project list was selected from an initial list of existing GSA pipeline projects, already designed, that could be awarded within two years. The list we developed included detailed information on cost, schedule, energy benefits, and the impact on the repair and alterations backlog for each project. Our repair and alterations backlog was over $7 billion, but the dollar amount of the projects we could have funded – with full funding of all green and energy saving opportunities – was much greater. Through numerous consultations between the Steering Committee described above and regional program staff, we applied criteria to select those projects that would both put people back to work quickly and transform Federal buildings into high-performance green buildings. The complete list of selection criteria was as follows:

- Incorporation of high-performance features, with an emphasis on energy conservation and renewable energy generation;
- Speed of construction start, with an emphasis on those projects that could begin within 120 days;
- Low risk that the project would fail to be completed on time;
- Condition of the facility;

- Capacity of the project to increase utilization of the building;
- High return on investment;
- Degree to which lease costs would be avoided through the project; and
- Historic significance of the building.

Many of the projects in the new Federal construction and building modernization categories have previously received partial funding. These are projects for which we can start construction quickly while also identifying ways that existing designs can be improved. These categories include projects such as the Bishop Henry Whipple Federal Building in Fort Snelling, Minnesota, a multi-tenant office building project where heating, ventilation, and air conditioning (HVAC); plumbing; electrical; and life safety improvements are expected to deliver 24% energy savings once the project is completed. This is over and above the 20% in energy savings we have previously achieved in this building in recent years.

Ways in which we will improve new construction and major modernization projects we have selected include:

- Adding thicker insulation than required by the newest energy codes in climates where it makes sense;
- Installing variable frequency drives to reduce energy and extend the life of mechanical equipment;
- Converting parking structure lighting to LED (light-emitting diode), which dramatically lowers energy consumption, improves safety and visibility and reduces maintenance as LEDs can last two to three times as long as typical garage or parking lot lights;
- Retrofitting or replacing less efficient windows — this component is often eliminated from a building renovation because of the initial expense and long payback period; and
- Specifying dual flush toilets and waterless or low water urinals to save water and reduce demand on aging city sewer systems.

In the limited scope category, we have identified a number of projects that can rapidly be deployed in many buildings at once. Through these projects, we can make significant improvement to the energy performance of a building and also improve the working conditions for the people in them.

Three examples of such improvements include:

- Installing intelligent lighting systems that provide daylight and provide controls for occupants to adjust for ambient light versus task light.
- Replacing flat roofs with ENERGY STAR membranes; integrated photovoltaic panels bonded to the membrane; photovoltaic panels; or planted roofs. These options offer benefits ranging from increasing the life of the roof, to producing energy and to reducing the "heat island" effect of a black roof. We expect to install some form of photovoltaic energy generation on 30 of the 59 roofs we are touching.
- Accelerating the installation of advanced meters—required under the Energy Policy Act to be completed by 2012. Advanced meters enable us to better manage buildings by instantaneously providing information on a building's energy use and encouraging immediate operational changes.

An example of the innovative features we will be incorporating into some of the projects on our Recovery Act list is the Edith Green - Wendell Wyatt Federal Building in Portland, Oregon. As part of this project, GSA will install a new high-performance double glass enclosure over the entire building which will dramatically enhance energy performance and blast resistance. On the west façade, vegetative "fins" will provide shade, reducing the load on the new high-efficiency HVAC system that will be installed. These are just some of the "green" improvements that GSA will make as part of this project. We expect the building to attain a LEED Gold rating.

A multibuilding project in the San Diego area illustrates the types of energy-saving projects for which we have established a solid track record. Recently, GSA's San Diego Field Office undertook an ambitious project schedule to reduce energy consumption and increase renewable energy at the Otay Mesa Land Port of Entry facility, including a major lighting project and the installation of two energy efficient chillers and a 274 kilowatt photovoltaic system. The 46,000 square foot roof at the Export Facility was replaced with a Title 24 Cool Roof System prior to the installation of the photovoltaic system. This system will generate approximately 1,120 kilowatt hours per day and 409,000 kilowatt hours per year, representing approximately 26% of the total energy used on the Export Facility. This project is complete and began generating electricity in May 2008.

Reductions in electric consumption at Otay Mesa already are evident. April 2008 readings of the site's two meters showed that the lighting project alone reduced usage by 12% and 13% compared with the previous year. Readings taken in June after the completion of the photovoltaic roof installation in May showed an additional 30% reduction. We have contracted to install a Dragon Power System, through which power is generated by a plate that moves when cars drive over it, at Otay Mesa as well.

The field office also completed comprehensive lighting projects at Otay Mesa and four other Federal facilities in San Diego County. These lighting projects were completed for a cost of $1.9 million, resulting in an annual energy savings of 1,933,000 kilowatt hours/year and electric demand savings of 493 kilowatts. Energy savings came from replacing Metal Halide (MH) and High Pressure Sodium (HPS) fixtures with new Induction Lamp fixtures, which reduced energy use by over 50% while increasing measured light levels. It also significantly increased light quality as measured by occupant satisfaction. Moreover, the Induction Lamp lifetime is expected to exceed 100,000 hours of use, three to four times that of MH and HPS lamps. This significantly reduces labor costs associated with re-lamping. Finally, standard T8 lamps and electronic ballasts were replaced with High-Performance T8 lamps and reduced light output electronic ballasts. This keeps fixture lumen output the same, while reducing energy usage by 25%, increasing lamp life, and improving lighting quality. These are just a few examples of what we were accomplishing before the Recovery Act. Without the level of funding provided in the Act, however, the scale of these projects was limited.

Finally, pre-apprenticeship and apprenticeship programs will be an integral part of our Recovery Act projects. These programs will be established as contractual requirements in construction contracts for selected projects on our Recovery Act list. The funding provided in the Act shall be used for costs of pre-apprentice and apprentice training and management of the programs. The programs will be modeled after a successful GSA program in the National Capital Region through which at least 840 persons at 15 projects have been trained and employed since the program's inception in 2002.

Conclusion

Today, I have described the unprecedented and exciting opportunity that lies before us to contribute to our nation's economic recovery by investing in green technologies and reinvesting in our public buildings. Greening our buildings will be an ongoing process. As this Committee knows, the Energy Independence and Security Act of 2007 and other laws require GSA, among other things, to reduce its energy consumption by 30 percent by 2015; reduce fossil fuel-generated energy consumption in our new buildings by increasing amounts – from 55 percent in 2010 to 100 percent in 2030; and "green" an even greater portion of our inventory. Although the Recovery Act will accelerate our progress in these areas, it alone will not enable us to meet these goals. We look forward to working with you and members of this Committee as we engage in this important work.

Joining me today is Tony Costa, Acting Commissioner of the Public Buildings Service, Bill Guerin, the Recovery Executive in our newly established Recovery Program Management Office in PBS, and Kevin Kampschroer, Acting Director of the Office of Federal High-Performance Green Buildings. Chairman Oberstar, Ranking Member Mica, this concludes my prepared statement. I will be pleased to answer any questions that you or any other members of this Committee may have.

DEPARTMENT OF THE ARMY

COMPLETE STATEMENT

TERRENCE C. SALT

PRINCIPAL DEPUTY ASSISTANT SECRETARY OF THE ARMY

(CIVIL WORKS)

BEFORE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

UNITED STATES HOUSE OF REPRESENTATIVES

ON

Implementation of

The American Recovery and Reinvestment Act of 2009

APRIL 29, 2009

Mister Chairman and distinguished members of the Committee, I am Terrence Salt, Principal Deputy Assistant Secretary of the Army (Civil Works). Thank you for the opportunity to testify before the Committee today to discuss the Army's implementation of the Civil Works appropriation within the American Recovery and Reinvestment Act of 2009 (ARRA).

OVERVIEW

The Recovery Act provides funds to meet the intent of the President and Congress to quickly put our fellow citizens to work and to help in the recovery of the nation's economy. In addition, the Corps Civil Works projects accomplished through Recovery Act funding will continue to contribute to the Nation's safety, economy, environment, and quality of life long past the Recovery Act funding period. The Act provides funding to: Preserve and create jobs and promote recovery; assist those most impacted by the recession; provide investment needed to increase economic efficiency by spurring technological advance in science and health; invest in transportation, environmental protection, and other infrastructure that will provide long term economic benefits; and stabilize State and local government budgets.

The Recovery Act provides funding to the Corps to do this via the development and restoration of the Nation's water and related resources. There is also funding to support our permitting activities for protection of the Nation's regulated waters and wetlands and cleanup of sites contaminated as a result of the Nation's early efforts to develop atomic weapons. Also, Congress mandated that work such as wastewater treatment and municipal and industrial water treatment and distribution will be funded at no less than $200 million.

Total discretionary funding for Civil Works in the Recovery Act is $4.6 billion and is provided in six accounts. Within the total program, $2.075 billion is for activities funded in the Operation and Maintenance (O&M) account. The Recovery Act also provides $2 billion in the Construction account; $375 million in the Mississippi River and Tributaries account; $25 million in the Investigations account; $25 million in the Regulatory account; and $100 million in the Formerly Used Sites Remedial Action Program account.

The Corps will follow the Recovery Act's general principle to manage and expend funds so as to achieve the Act's stated purposes, including commencing expenditures and activities as quickly as possible consistent with prudent management, and consistent with the President's direction provided in the Executive Memorandum of 20 March 2009 – Ensuring Responsible Spending of Recovery Act Funds. In that Memorandum, the President directed agencies to be sure that Recovery Act funds are spent responsibly and transparently and that projects are selected on merit-based principles.

Additional project selection criteria suggested in the Joint Explanatory Statement accompanying the Act states that projects, programs or activities (PPAs) accomplished with Recovery Act dollars will:

- Be obligated/executed quickly;
- Result in high, immediate employment;
- Have little schedule risk;
- Be executed by contract or direct hire of temporary labor; and
- Complete a project phase, a project, an element, or will provide a useful service that does not require additional funding.

Also as stipulated in the Recovery Act, no funds will be used for any PPA that, at the time of the obligation, had not previously received funds in Acts making appropriations available for Energy and Water Development. In other words, no new starts can receive Recovery Act funds.

Other statutory language includes:

- ARRA funds are not to be cost-shared with the Inland Waterways Trust Fund
- Not less than $200 million for environmental infrastructure
- Section 902 of the Water Resources Development Act of 1986, as amended, (establishing a maximum authorized cost for a project and prohibiting expenditures in excess of this limit) does not apply in Fiscal year 2009
- All unobligated funds (except for Engineering and Design (E&D), Supervision and Administration (S&A) and claims) expire September 30, 2010.

The Recovery Act does provide for obligations to be made past the date of unobligated fund expiration in the Investigations, Construction, Mississippi River and Tributaries, Operation and Maintenance, and FUSRAP accounts for "associated" Engineering and Design (E&D), Supervision and Administration (S&A), and subsequent claims, if any. "Associated" means those activities related to the execution of contracts that will have been awarded with Recovery Act funds through FY 2010. The Act also permits up to ½ percent of Civil Works Recovery Act funds to be used for oversight. The oversight funds expire at the end of FY 2012 (September 30, 2012).

WATER RESOURCES DEVELOPMENT ACCOUNTS

Investigations

The Recovery Act provides $25 million for the Investigations account.

Construction

The Recovery Act provides $2 billion in the Construction account.

Operation and Maintenance Program

The Recovery Act provides $2.075 billion for the Operation and Maintenance account.

Flood Control, Mississippi River and Tributaries Program (MR&T)

The Recovery Act provides $375 billion for the MR&T account.

Formerly Used Sites, Remedial Action Program (FUSRAP)

The Recovery Act provides $100 million for (FUSRAP) to clean up contamination at sites resulting largely from the early atomic weapons program.

Regulatory Program

The Recovery Act provides $25 million for the Corps Regulatory Program to support the funding of contract and temporary personnel to protect wetlands and other waters of the United States. The funding will be used for permit processing. The funds will be distributed to Corps districts based on work load, to accelerate regulatory processes for non-federal investments that need permits

CONCLUSION

At $4.6 billion, the FY 2009 ARRA provides the resources for the Civil Works program to pursue investments that will yield good returns for the Nation in the future. Projects not funded under Recovery Act will still be considered for inclusion in the FY2010 and future budgets.

Thank you, Mr. Chairman and Members of the Committee, for this opportunity to testify on the Recovery Act program for the U.S. Army Corps of Engineers.

Before the Committee on Transportation and Infrastructure
United States House of Representatives

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American Recovery and Reinvestment Act: DOT's Implementation Challenges and the OIG's Strategy for Continued Oversight of Funds and Programs

Statement of
The Honorable Calvin L. Scovel III
Inspector General
U.S. Department of Transportation

Chairman Oberstar and Ranking Member Mica:

Thank you for the opportunity to testify today on the challenges facing the Department of Transportation's (DOT) implementation of the American Recovery and Reinvestment Act (ARRA) of 2009[1] and our office's related audit and investigative initiatives. Since the passage of ARRA, we have been working with DOT officials to support and oversee their efforts and have assembled a cross-modal team of auditors, analysts, investigators, and attorneys to review DOT's management of recovery program funds.

ARRA designates an unprecedented $48 billion for DOT programs, adding new challenges on top of the longstanding ones we have highlighted in past reports to the Secretary of Transportation and Congress. These include overseeing numerous grantees and projects across the country as the recovery funding is infused into the economy. In addition to significantly increasing funding for certain DOT programs, ARRA directs DOT to create several new programs and establishes tight timeframes for distributing and expending funds and reporting results, such as the number of jobs created. The Office of Management and Budget (OMB) also mandated additional requirements, including weekly financial reports, which will test DOT's capacity as it strives to effectively implement these changes.

Both the President and Congress have emphasized the need for accountability, efficiency, and transparency in the allocation and expenditure of ARRA funds and have recognized the role of Inspectors General and the Government Accountability Office (GAO) in accomplishing these objectives. For example, ARRA created the Recovery Accountability and Transparency Board, consisting of our office and nine other Inspectors General, and added substantial funding to help address the increased workload. We want to acknowledge this Committee's strong interest in vigilant oversight of the recovery program, with this hearing as just one of the many indicators of that support.

We realize the enormity of the challenges facing DOT and note the commitment of the Secretary of Transportation and his staff to the success of DOT's recovery initiatives. DOT's leadership has been proactive on several fronts. For example, the Department has established the DOT-wide Transportation Investment Generating Economic Recovery (TIGER) team to coordinate DOT's role in the recovery program, ensure accountability, and develop a risk management and financial reporting plan. In addition, DOT officials are working with grantees so they can quickly submit proposals that will meet Federal requirements. DOT is also evaluating how to redeploy current agency employees or use "rehired annuitants" to meet the increased workload and conducting outreach to field staff and grantees through frequently-asked-questions and guidance posted on DOT's recovery internet sites.

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[1] Pub. L. No. 111-5 (2009).

Sustained leadership will be a prerequisite for continuing to meet the numerous issues facing DOT.

Our statement today focuses on the specific challenges DOT faces as it implements ARRA and our strategy to promote effective and efficient use of funds. Specifically:

- **DOT must continue to address the significant oversight challenges posed by ARRA.** Last month, we reported on the major challenges facing DOT in ensuring that ARRA funds are spent properly and identified actions DOT should take now to support ARRA requirements (see attachment for the full report).[2] This report was based on a comprehensive review of our prior reports and other relevant work. Based on our analysis, we concluded that DOT must exhibit sustained and effective actions to oversee grantees receiving ARRA funding; implement significant new reporting requirements and programs mandated by ARRA; and prevent fraud, waste, and abuse. Actions needed to address these challenges include acquiring sufficient staff with relevant expertise to oversee grantees; developing comprehensive plans and sound criteria for the more than $9 billion in new programs created by ARRA; and enhancing understanding among DOT staff, grantees, and their contractors on how to recognize, prevent, and report potential fraud to the appropriate authorities.

  In addition to serving as "one-stop shopping" for actions DOT must take now to achieve ARRA-related goals, our report set out a roadmap for our future audit and investigative initiatives. In response to our recommendation to develop a plan to address the issues in our report, DOT committed to providing us with a document by April 30, 2009, that will outline its specific actions taken or planned.

- **Our audit and investigative initiatives must continue to examine areas that present the greatest risks and promptly notify DOT and Congress of actions needed to minimize fraud, waste, and abuse and achieve ARRA goals.** We have begun working aggressively to position our office to handle the increased workload. In anticipation of ARRA's passage, we initiated a three-phase approach to conducting related work. We completed Phase 1 last month with the issuance of our report on key oversight challenges facing DOT. We also identified several audits that, although started prior to ARRA's passage, have a direct connection to the programs funded under ARRA and related requirements. We plan to fast-track the most time-sensitive results of our work on these audits to ensure we provide DOT, Congress, and taxpayers with timely and relevant information.

  Phase 2 of our strategy is underway and involves a systematic scan, or structured survey, of the DOT agencies that received funding in ARRA, based on 10 focus

[2] OIG Report Number MH-2009-046, "American Recovery and Reinvestment Act of 2009: Oversight Challenges Facing the Department of Transportation," March 31, 2009. OIG reports and testimonies are available on our website: www.oig.dot.gov.

areas identified in our report. These scans will examine vulnerabilities in program management and planning that could impede DOT's ability to provide effective oversight of ARRA-funded projects and meet new statutory and OMB requirements. We plan to begin reporting the results of Phase 2 this summer through a series of ARRA advisories to the Department. Phase 3 is a long-term initiative in which we will drill down on high-risk areas that emerge as a result of our agency scans.

I will now discuss these issues in further detail.

DOT MUST CONTINUE TO ADDRESS THE SIGNIFICANT OVERSIGHT CHALLENGES POSED BY ARRA

In anticipation of ARRA's passage, we initiated a comprehensive review of our prior audit and investigative work—as well as the relevant work of other accountability organizations—to identify the major challenges facing DOT as it implements such a large infusion of new funding and program requirements. We reported the results of our review last month: *American Recovery and Reinvestment Act of 2009: Oversight Challenges Facing the Department of Transportation.* Our report linked the challenges identified to 10 specific focus areas where DOT must exhibit sustained and effective actions and oversight; these areas are shown in table 1 on the next page. (The full report is presented as an attachment to this statement.)

Based on our analysis of past findings, we see three major ARRA oversight challenges facing DOT:

- Ensuring that DOT's grantees properly spend ARRA funds;
- Implementing new accountability requirements and programs mandated by ARRA in an effective manner; and
- Combating fraud, waste, and abuse.

To ensure sufficient consideration of the potential risks discussed in this report, we also recommended that the Secretary of Transportation, through the DOT TIGER team, develop an oversight implementation plan that outlines the key actions DOT has underway or will take to address these issues. DOT agreed to provide us with a document by April 30, 2009, outlining actions taken or planned in these areas.

Table 1. Major ARRA Challenges and Related Focus Areas for DOT

Ensuring that DOT's grantees properly spend ARRA funds	1. Acquire sufficient personnel with relevant expertise to oversee grantees. 2. Adhere to existing Federal requirements for programs funded under ARRA. 3. Evaluate the credibility and completeness of cost and schedule estimates. 4. Oversee grantees' contracting management activities and ensure selection of appropriate contract types. 5. Address internal control weaknesses and identify unused funds for use on other eligible projects.
Implementing new accountability requirements and programs mandated by ARRA in an effective manner	6. Implement new ARRA tracking and reporting requirements that are designed to promote accountability and transparency. 7. Develop comprehensive plans and sound criteria for the new discretionary grant and passenger rail programs within statutory deadlines. 8. Develop appropriate oversight strategies for the new discretionary grant and passenger rail programs.
Combating fraud, waste, and abuse	9. Enhance understanding among DOT staff, grantees, and their contractors on how to recognize, prevent, and report potential fraud to the appropriate authorities. 10. Take timely and effective action to suspend or debar individuals or firms that have defrauded the Department so they do not receive future Federal contracts.

Today, I will highlight a few of the key areas where action is needed.

Ensuring That DOT's Grantees Properly Spend ARRA Funds

The large amounts of funding that DOT is responsible for under ARRA and the accelerated timeframes to use those funds will place great demands on DOT's workforce, oversight processes, and financial management systems. Some of the more significant challenges relate to ensuring that DOT's Operating Administrations oversee grantees' contract management activities; addressing internal weaknesses that could lead to ineffective use of ARRA dollars; and having sufficient staff with relevant expertise to monitor grantees' planning and execution of ARRA-funded projects. We are encouraged by Secretary LaHood's statement that DOT is committed to do things "by the book," follow established policies and procedures, and employ sound business practices.

Overseeing Grantees' Contracting Management Activities and Ensuring Selection of Appropriate Contract Types

Oversight of grantees' contracting management practices warrants particular attention as the ARRA program is quickly rolled out. Actions needed are (1) specifying contract requirements early; (2) maximizing competition; (3) using appropriate contract types; and (4) preventing unallowable costs, improper payments, and excessive overhead charges during contract execution. The magnitude and the accelerated pace for spending ARRA dollars could exacerbate contract award problems we previously identified, which include inappropriate contract types, inadequate competition, and failure to ensure contract prices are fair and reasonable.

Our basis for these concerns resides in several examples. Specifically, audits of DOT and state contracts used to respond to the Hurricane Katrina emergency found instances in which DOT money was spent inefficiently. This occurred because grantees used risky contracting methods in spending Federal funds, such as sole-sourced contracts, which resulted in significantly higher costs.[3] For example, we found that a state department of transportation awarded two sole-source contracts without assurance of fair and reasonable prices, which resulted in the state paying about $1.7 million more than necessary for bridge repairs. Our review of controls over DOT's contract for Hurricane Katrina emergency disaster relief transportation, also found that a Federal Aviation Administration (FAA) contracting officer routinely authorized invoices for payment without any documentation from the contractor showing that the services had actually been provided.[4] In one instance, this lack of controls resulted in a $33 million overpayment to the contractor for emergency bus transportation and chartered aircraft services; the overpayment was later recovered.

Addressing Internal Control Weaknesses and Identifying Unused Funds for Other Eligible Projects

DOT needs to assess risks and identify and mitigate any internal control[5] weaknesses to ensure that ARRA funding is spent effectively in accordance with Federal

[3] OIG Report Number MH-2006-065, "Audit of the Mississippi Department of Transportation's Award of Selected Hurricane Katrina Emergency Repair Contracts," September 6, 2006.
[4] OIG Report Number AV-2006-032, "Internal Controls Over the Emergency Disaster Relief Transportation Services Contract," January 20, 2006.
[5] Internal controls provide reasonable assurance of the effectiveness and efficiency of an agency's use of financial resources, the reliability of financial reporting, and compliance with applicable laws and regulations.

regulations and OMB's new requirements. Specifically, OMB is requiring that agencies ensure the prompt award and outlay of ARRA dollars and minimize improper payments. Going forward, DOT must ensure that its risk mitigation plans prevent new and recurrent internal control weaknesses, identify unused funds promptly, ensure timely action to free up unused funds for use on other projects, and detect and prevent improper payments. Our prior and ongoing audit work shows that DOT has experienced problems in these areas.

In particular, we have found that DOT must improve its controls for identifying unused funds in its financial management systems and take appropriate action to release them on completed, cancelled, and reduced-scope projects. For example, in fiscal year (FY) 2008, auditors found idle funds at the Federal Highway Administration (FHWA) estimated at about $300 million. Similarly, we found that in 2007 FAA allowed numerous Airport Improvement Program grants to remain inactive and obligations to remain on closed grants, both for excessive periods of time.[6] Without sufficient controls going forward, any unused ARRA funds could remain idle for long periods of time. This in turn could prevent other worthy projects from receiving Federal funds and potentially undermine ARRA's ability to stimulate the U.S. economy by quickly spurring construction activity across the country.

Avoiding improper payments also presents a continuing challenge to DOT. For example, our prior work at FHWA identified oversight weaknesses that led to such payments, which DOT must avoid in the ARRA program. Specifically, we examined FHWA's oversight of design and engineering (D&E) firms' indirect costs claimed on Federal–aid grants and found that Federal funds were used to reimburse unallowable costs totaling nearly $16 million.[7] This occurred in part due to ineffective oversight by FHWA and state transportation departments of the certified public accounting firms hired by the D&E firms. As OMB stipulated in its implementation guidance,[8] it is critical to mitigate the risks of improper payments in the recovery program to ensure that DOT maximizes the return on the Federal investment.

Acquiring Sufficient Personnel With Relevant Expertise To Oversee Grantees

DOT must ensure that it has sufficient personnel with relevant expertise to meet the increased workload, new requirements, and accelerated timeframes associated with recovery spending. A sufficient and trained workforce is critical to hold grantees accountable for contract actions and realistic cost and schedule estimates and to ensure that state or local recipients can effectively manage their projects and the risks associated with the recovery program.

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[6] OIG Report Number AV-2007-073, "FAA's Oversight of Inactive Airport Improvement Program Grant Obligations," September 13, 2007.

[7] OIG Report Number ZA-2009-033, "Oversight of Design and Engineering Firms' Indirect Costs Claimed on Federal-Aid Grants," February 5, 2009.

[8] OMB, "Updated Implementing Guidance for the American Recovery and Reinvestment Act of 2009," April 3, 2009.

DOT officials expressed concerns about their ability to provide sufficient oversight with limited time and staff, particularly in regional and division offices, and noted actions under consideration. For instance, some Operating Administrations may detail staff from each of their headquarters to their regional and division offices and rehire retired Federal employees on a temporary basis. These efforts were supported when the Office of Personnel Management granted DOT direct-hire authority and delegated to it dual compensation waiver authority. These hiring flexibilities should help enable DOT to meet critical hiring needs. The key will be to utilize these flexibilities effectively to augment other staffing actions. We plan to evaluate the adequacy of DOT's workforce as part of our future audits on DOT's oversight of ARRA projects.

Implementing New Reporting Requirements and Programs Mandated by ARRA in an Effective Manner

In addition to increasing the funding levels of existing programs, ARRA presents new goals for DOT. First, ARRA mandates several new reporting requirements that are designed to promote accountability and transparency, which OMB enhanced in its recent implementation guidance. Second, ARRA creates two new, large programs that provide $1.5 billion in supplementary discretionary grants to improve the Nation's transportation infrastructure and $8 billion in grants for high-speed rail corridors and intercity passenger rail service.[9] These programs are being designed from the ground up and, therefore, pose particular vulnerabilities for DOT.

Implementing New ARRA Tracking and Reporting Requirements Designed To Promote Accountability and Transparency

To meet ARRA accountability and transparency requirements, DOT must ensure that its financial management systems can track ARRA spending and produce reliable information to report results in a meaningful way. Specifically, DOT must ensure that its financial management systems can clearly and reliably track recovery funds separately from other program funds, as required by OMB. This will be important as OMB's guidance requires agencies to submit regular reports, and the information to generate these reports will come largely from DOT's financial management systems.

For example, OMB's final implementation guidance requires DOT to provide weekly Financial and Activity Reports that provide, by Treasury Account, total obligations and total outlays as recorded in agency financial systems on a cumulative basis. These reports will also provide a bulleted list of the major actions taken or planned. In addition, DOT will need to develop processes for meeting OMB requirements to report on the number of jobs created or preserved. Some ARRA information will be

[9] ARRA stipulates that the discretionary grant program can be used for a variety of projects, including highway, bridge, public transportation, passenger and freight rail, or port infrastructure projects.

available publicly on the Administration's website, www.recovery.gov,[10] and therefore must meet DOT and OMB data quality requirements. These requirements underscore the need for DOT to adjust its financial management systems so that they provide reliable and complete management reports that DOT staff can use to effectively guide and oversee grantees.

In the past, DOT has experienced challenges in this area. For example, in September 2007 we testified that FHWA was unable to determine how much of the billions of dollars in Highway Bridge Program funding were actually spent on structurally deficient bridges, because its financial management system did not differentiate between spending on structurally deficient bridges and other bridge-related expenditures.[11] In this case, the absence of sufficient management-level information inhibited FHWA's ability to assess the impact of Federal dollars on bridge conditions. We are working on a follow-up audit to assess FHWA's bridge funding and oversight activities in greater detail.

Developing Comprehensive Plans and Sound Criteria for the New Discretionary Grant and Passenger Rail Programs Within Statutory Deadlines

Creating and executing the new programs called for by ARRA presents a huge challenge for DOT. Meeting statutory deadlines will be difficult due to the number of tasks that must be completed in short timeframes, including quickly producing planning documentation and guidance. ARRA directs the Office of the Secretary of Transportation (OST) to publish criteria for its grant program within 90 days of ARRA enactment, accept applications for grants within 180 days after the criteria are published, and announce all projects selected within 1 year of ARRA enactment. Further, ARRA requires the Federal Railroad Administration (FRA) to produce a strategic plan for the passenger rail program within 60 days of ARRA enactment and interim implementation guidance to applicants within 120 days.

We have reviewed the strategic plan FRA released on April 16. We are cognizant that FRA had a limited timeframe in which to prepare the plan and believe the plan provides a meaningful, broad vision for the program and recognizes many of the risks inherent in implementing this program. However, the plan lacks detailed strategies for achieving its goals and performance measures to evaluate progress towards those goals. The interim performance guidance will provide an additional near-term opportunity for FRA to address these issues.

To meet deadlines for the discretionary grant program, the Secretary established a working group within OST to develop criteria and determine the best administrative

[10] The Administration created this website to provide information to the public on the planning and implementation of ARRA.

[11] OIG Testimony Number CC-2007-095, "Federal Highway Administration's Oversight of Structurally Deficient Bridges," September 5, 2007.

structure. OST also has an advisory task force comprised of staff from the Operating Administrations. According to DOT officials, a central issue for the task force is determining the most appropriate place to administer the grants—within OST or the Operating Administration that would normally be responsible for a particular type of project. For example, if OST delegates administrative responsibility for a bridge replacement project to FHWA, it would need to monitor how this delegation of authority is effectively achieving the established goals and requirements of ARRA.

FRA also faces daunting challenges because it has not previously implemented a program like the large-scale, high-speed passenger rail program called for in ARRA. FRA has begun establishing specific plans for this program. These include determining how to allocate the funds among the eligible purposes[12] and developing program guidance within the statutory timeframes. Because FRA is a small agency that had few grant programs before ARRA was passed, it is critical for FRA staff to leverage the in-house expertise throughout DOT and determine what additional resources it may need. To design and implement this program, FRA must, for example, establish sufficient controls to ensure that Federal investments do not simply supplant investments the freight railroads already planned to undertake on their rail lines.

Combating Fraud, Waste, and Abuse

DOT needs to tailor its counter-fraud efforts to adapt to the increase in capital funding associated with the recovery program and the expected surge in construction activity throughout the country. OMB's guidance for ARRA implementation directs Federal agencies to be aggressive in preventing fraud, waste, and abuse. This requires sustained action in two key areas, discussed below.

Enhancing Understanding Among DOT Staff, Grantees, and Their Contractors on How To Recognize, Prevent, and Report Potential Fraud

DOT must target its outreach efforts at deterring fraud schemes that we have seen with past DOT projects and must be avoided with projects receiving funding under ARRA. These include false claims for materials and labor, bribes related to contracts for materials or labor, and product substitution.[13] An important way to deter fraud is for DOT staff and grantees to be aware of certain "red flag" indicators typically associated with fraud schemes. For example, a contractor regularly taking or labeling quality control samples away from inspector oversight or insisting on transporting these samples from the construction site to a lab might indicate quality control testing fraud.

[12] According to FRA, the $8 billion can be used for three programs: (1) high-speed corridor program, (2) intercity passenger rail service grants, and (3) congestion grants.

[13] Our March 2009 report, which is attached to this statement, contains a list of common fraud schemes and fraud indicators.

One significant case we were involved with illustrates this type of fraud. In this case, an Indiana contractor agreed to pay more than $8.2 million to settle Federal and state claims alleging that a contractor fraudulently swapped samples of asphalt to inflate the amount paid on road projects by FHWA, the Commonwealth of Kentucky, and the State of Indiana. This joint investigation, conducted with FHWA and the U.S. Attorney's Office for the Western District of Kentucky, revealed that the contractor's employees fraudulently swapped "good" cores for "bad" cores (i.e., cores with failing density).

The best way to make individuals aware of fraud schemes and their indicators is to conduct systematic fraud prevention education. DOT and the Operating Administrations receiving ARRA funds will need to enhance their outreach efforts to ensure recipients of Federal grants and contracts—and their contractors—have meaningful ethics programs and sound internal controls to recognize, prevent, and report fraud.

Taking Timely and Effective Action To Suspend or Debar Individuals and Firms That Have Defrauded the Department

DOT will need to ensure timely and effective action is taken on suspension and debarment cases against those individuals or firms that have defrauded the Department. Federal regulations prohibit firms and individuals without satisfactory records of integrity and business ethics from receiving Federal contracts. Our work has shown that the Operating Administrations do not consistently take suspension and debarment actions in a timely manner, even though the DOT Order requires that such decisions be made within 45 days.[14] Taking action to address these deficiencies is critical as DOT implements ARRA. We plan to issue the results of our ongoing audit in the near future as part of our effort to fast-track the release of information that is pertinent to the effective implementation of ARRA.

THE OFFICE OF INSPECTOR GENERAL WILL CONTINUE TO EXAMINE AREAS THAT PRESENT THE GREATEST RISKS AND PROMPTLY NOTIFY DOT AND CONGRESS OF ACTIONS NEEDED TO MINIMIZE FRAUD, WASTE, AND ABUSE AND ACHIEVE ARRA GOALS

Our office supports DOT in its oversight initiatives, and we have developed a risk-based strategy in response to the new challenges presented by ARRA that will target the highest risk areas and emphasize timely reporting of results. To that end, we will evaluate DOT's management of the ARRA programs and its oversight of grantees and contractors receiving recovery funding. Our work is being coordinated with the

[14] DOT Order 4200.5D, "Governmentwide Debarment, Suspension, and Ineligibility," June 7, 2005.

Government Accountability Office to avoid duplication of effort and maximize accountability coverage. In addition, we have a number of ongoing audits—undertaken before passage of ARRA—that directly relate to the DOT programs that received additional funding in ARRA. We have also begun several actions to enhance our capacity to assist DOT in ensuring accountability; these include hiring new staff to handle our increased audit and investigations workload.

The Office of Inspector General Is Using a Three-Phase Approach To Emphasize High-Risk Areas and Promptly Report Results

In anticipation of ARRA's passage, we initiated Phase 1 of our planned audit and investigative strategy. This phase involved a comprehensive review of prior reports and testimonies to identify major challenges facing DOT as it implements ARRA. We analyzed this work and reported our results last month. As part of this effort, we identified a number of ongoing audits and investigative activities that directly relate to the challenges facing DOT under ARRA. For the most part, ARRA provided an infusion of new money to existing DOT programs, such as FHWA's Surface Transportation Program, the Federal Transit Administration's (FTA) Urbanized Area Formula Grant and New Starts programs, and FAA's Airport Improvement Program. We were already conducting work on issues related to many of these programs before the passage of ARRA. Any actions that DOT takes to improve these programs based on our findings and recommendations may increase the likelihood that ARRA dollars will be spent efficiently and effectively.

For example, our ongoing, follow-up audit of structurally deficient bridges indicates that while FHWA could account for the overall amount of Highway Bridge Program funding (in billions of dollars) apportioned to states for deficient bridges, its project-based accounting system lacks sufficiently detailed data. Therefore, the system could not evaluate whether the money was used to effectively improve the conditions of deficient bridges, as required by statute and FHWA policy. As a result, FHWA could not determine whether Highway Bridge Program funding improved the conditions of deficient bridges nationwide.

We will place priority on issuing ARRA-related reports as quickly as we can within compliance of generally accepted government auditing standards to provide timely information to DOT and Congress. To bolster this effort, we will also issue interim ARRA advisories to highlight key results of these audits that may warrant immediate attention by DOT agencies.

Phase 2: Conducting Agency Scans To Identify Vulnerabilities in ARRA Implementation

Currently, we are in Phase 2 of our strategy, which involves conducting structured surveys, or scans, of each DOT agency's implementation of ARRA. Our objective in these agency scans is to evaluate vulnerabilities that could impede DOT's ability to

(1) provide effective oversight to ARRA-funded projects and (2) meet new requirements mandated by ARRA and OMB, including financial and job creation reporting.

We will conduct a scan at each DOT office or Operating Administration that received funding in ARRA: FHWA, FRA, FTA, OST, FAA, and the Maritime Administration (MARAD). Table 2 below shows the agencies that received ARRA funds and the amount allotted to each agency. In addition, once DOT provides us with its plan for addressing the key challenges it faces under ARRA—in response to our March 2009 recommendation—we will assess the actions taken or planned as part of our agency scans.

Each scan will be conducted using a standardized methodology, including questions that probe what actions DOT has taken or planned to address the 10 focus areas we reported. As with our ongoing, ARRA-related audits, we plan to expedite our reporting to ensure that DOT, Congress, and taxpayers have real-time information related to these scans. That is, if we identify any issues during the scans that warrant immediate attention, we will issue a series of ARRA advisories to highlight those issues. Earlier this week, we issued an announcement letter to formally initiate our Phase 2 work.

Table 2. Distribution of ARRA Funds Within DOT

DOT Component	ARRA Funds (millions)	Percent of Total*
FHWA	$27,500	57.15%
FRA	$9,300	19.33%
FTA	$8,400	17.46%
OST	$1,500	3.12%
FAA	$1,300	2.70%
MARAD	$100	0.21%
OIG	$20	0.04%
Total	**$48,120**	**100.00%**

Source: ARRA.
*Percentages do not add up exactly due to rounding.

Phase 3: Examining High-Risk Areas

Phase 3 of our strategy involves using the results of our agency scans to identify areas that warrant additional work and reporting based on potential risks. We will use this information to develop a long-term plan outlining our ARRA audit and investigative initiatives. In addition to our near-term phased approach, we remain committed to protecting the Federal investment over the long term.

Other Investigative Initiatives

Our investigators have been proactive in their fraud deterrence efforts, recognizing that risks of fraud will increase as the recovery funds are poured into the economy in the coming months. To help mitigate these risks, we are:

- conducting fraud awareness and prevention activities to alert DOT staff and grantees, including contractors, at all levels of government so they know how to recognize, prevent, and report suspected fraud. They must also know that fraudulent misrepresentation for personal or corporate gain is unacceptable under any circumstance. As part of this effort, our special agents facilitated fraud, waste, and abuse workshops for oversight officials within DOT's Operating Administrations and state and local agencies receiving ARRA funds, and we will continue these efforts. In addition, the Secretary of Transportation and I hosted a webcast last month for DOT staff that focused on how to prevent fraud, waste, and abuse involving common fraud schemes.[15]

- distributing materials such as hotline posters and "red flag" fraud indicator cards to Federal, state, and local agencies to support their oversight efforts.

Our strategy also involves investigating allegations of fraud on DOT-funded projects. We will be vigilant in presenting cases to the Department of Justice (DOJ) for prosecution and participating in resulting prosecutions. We will also focus on ensuring that DOT's Operating Administrations and states take appropriate suspension and debarment actions. For example, we have already met with various DOJ personnel, including senior members of the National Procurement Fraud Task Force and the Antitrust Division in Washington, D.C. We also met with Federal Bureau of Investigation fraud and public corruption agents to discuss how we can best leverage scarce investigative resources. Further, we are reaching out to our investigative counterparts at the state and local levels.

The Office of Inspector General Is Taking Action To Best Position Itself To Meet the Increased Workload Under ARRA

ARRA also presented our office with resource challenges. Even before ARRA's passage, we were already a small Inspector General office in relation to DOT's large budget. Accordingly, we appreciate the $20 million in additional funding that ARRA provided to our office and intend to make the most of it. This additional funding will go a long way in ensuring that we have the staff, travel budget, information technology, and other resources that we need to help achieve new, ARRA-related goals.

[15] This webcast can be viewed at: www.oig.dot.gov/recovery/.

I can assure you that we are maximizing the new funding and program flexibilities we received in recent months. For instance, we are working aggressively to hire new auditors and investigators. Our FY 2009 appropriation supports a base of approximately 414 full-time equivalents (FTE), and we employed 397 FTEs as of April 7, 2009. By this summer, we plan to have a new group of ARRA-focused auditors and investigators on board to supplement our existing staff. We plan to hire approximately 17 FTEs to reach our base and 37 new FTEs to perform recovery work.

We have issued numerous vacancy announcements at all levels and have begun selecting qualified applicants. Further, the Office of Personnel Management gave us authority to utilize "rehired annuitants" to supplement our staff. The ability to expeditiously hire high-caliber staff is critical so we can deploy them to track the influx of ARRA funds and deal with the increased workload of hotline complaints that are likely to occur as ARRA projects begin construction.

We are also conducting systematic outreach with congressional and other stakeholders, including staff of our authorization and appropriations committees in the House and Senate and major transportation associations. For example, earlier this month we met with various congressional staff directors and industry representatives to listen to their concerns about ARRA's implementation.

Moreover, in response to the new challenges presented by ARRA, our office is updating its comprehensive strategic plan so that our ARRA audits and investigations are tied to an overarching strategy. This strategy will recognize the connection of ARRA to other key transportation issues and reflect the cross-cutting nature of DOT's strategic goals, such as reducing congestion and improving safety. To expedite this planning effort and target resources more effectively going forward, we convened a daylong session earlier this month with our Senior Executive Service staff and audit Program Directors.

Finally, we are developing new reporting formats that will allow us to expeditiously issue the results of our work when we determine that action can be taken in a timely manner. We are also focused on presenting our ARRA work in a user-friendly, understandable manner to maximize the impact of our findings and recommendations.

CONCLUSION

DOT will need sustained efforts to ensure that accountability, efficiency, and effectiveness are maintained in its portion of the recovery program. To that end, we acknowledge the TIGER team-led efforts that DOT has underway to successfully implement the ARRA program. We are focused on assisting DOT officials in their efforts by identifying vulnerabilities and making recommendations for program improvements. Further, we recognize the importance of collaboration across the accountability community, which is necessary to best protect taxpayer interests and promote achievement of ARRA's goals.

It is important that we ensure accountability to help restore Americans' trust in Government and to maximize the return on the $48 billion in transportation investments provided by the recovery program. ARRA presents a unique opportunity for DOT to make needed or neglected investments in the repair, rehabilitation, and modernization of the Nation's aging transportation infrastructure; to fund projects to reduce congestion; and to improve the overall safety of the transportation system. It is critical that we do everything possible to maximize this opportunity. We are committed to doing just that.

That concludes my statement, Mr. Chairman. Once again, I would like to thank the Committee for its tremendous support of our oversight efforts related to ARRA. I will be happy to answer any questions you or other Members of the Committee may have.

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009: OVERSIGHT CHALLENGES FACING THE DEPARTMENT OF TRANSPORTATION

Department of Transportation

Report Number: MH-2009-046
Date Issued: March 31, 2009

U.S. Department of Transportation
Office of the Secretary of Transportation
Office of Inspector General

Memorandum

Subject: ACTION: American Recovery and Reinvestment Act of 2009: Oversight Challenges Facing the Department of Transportation
Report Number MH-2009-046

Date: March 31, 2009

From: Calvin L. Scovel III Calvin L. Scovel III
Inspector General

Reply to Attn. of: J-1

To: All Secretarial Officers
Heads of All Operating Administrations

On February 17, 2009, the President signed into law the American Recovery and Reinvestment Act (ARRA), which designated over $48 billion to the Department of Transportation (DOT).[1] This audit report represents the second product in the Office of Inspector General's (OIG) review of DOT's implementation of ARRA.[2] The objective of this audit was to highlight key DOT oversight challenges—based on prior OIG reports and other agencies' relevant audit work—and identify actions DOT should take now in support of ARRA requirements.

According to the Secretary of Transportation, ARRA represents "the largest investment in America's roads, bridges, transit lines, and rail systems since the creation of the interstate highway system." Key provisions of ARRA are preserving and creating jobs, promoting economic recovery, and investing in transportation infrastructure that will provide long-term economic benefits. In addition to providing funding for a number of existing DOT programs, ARRA directs DOT to create several new programs and establishes tight time frames for distributing and expending funds and for reporting results (for example, the number of jobs created).

The vast majority of ARRA funding goes to the Federal Highway Administration (FHWA), the Federal Railroad Administration (FRA), and the Federal Transit Administration (FTA) for the construction and/or maintenance of highway, road,

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[1] Public Law 111-5, February 17, 2009.
[2] OIG Testimony CC-2009-045, "Top Management Challenges Facing the Department of Transportation," March 10, 2009. OIG reports and testimonies are available on our website: www.oig.dot.gov.

bridge, transit, and rail projects. The remaining ARRA funds are distributed among the Office of the Secretary of Transportation (OST), the Federal Aviation Administration (FAA), the Maritime Administration (MARAD), and OIG. Table 1 shows the distribution of ARRA funding within DOT.

Table 1. Distribution of ARRA Funds Within DOT

DOT Component	Stimulus Funds (millions)	Percent of Total*
FHWA	$27,500	57.15%
FRA	$9,300	19.33%
FTA	$8,400	17.46%
OST	$1,500	3.12%
FAA	$1,300	2.70%
MARAD	$100	0.21%
OIG	$20	0.04%
Total	**$48,120**	**100.00%**

Source: ARRA.
* Percents do not add up due to rounding.

Both the President and Congress have emphasized the need for accountability, efficiency, and transparency in the allocation and expenditure of ARRA funds. Accordingly, the Office of Management and Budget (OMB) has called on Federal agencies to: (1) award and distribute funds in a prompt, fair, and reasonable manner; (2) ensure the recipients and uses of the funds are transparent to the public, and the resulting benefits are reported clearly, accurately, and promptly; (3) ensure funds are used for authorized purposes and to mitigate instances of fraud, waste, and abuse; (4) avoid unnecessary project delays and cost overruns; and (5) achieve specific program outcomes and improve results on economic indicators.[3]

To achieve these goals, DOT's leadership has been proactive on several fronts, including the establishment of the DOT-wide Transportation Investment Generating Economic Recovery (TIGER) team to coordinate the Department's role and ensure accountability. DOT's Operating Administrations are also working with senior Department officials in developing methods for tracking and reporting expenditures, job creation, and results; working with potential grantees to quickly identify and process proposals; and considering strategies for strengthening their existing oversight processes. OIG supports DOT in its oversight initiatives and has developed an audit strategy in response to the new challenges presented by ARRA.

Exhibit A presents our scope and methodology. We discussed our work and recommendations with DOT representatives, including the TIGER team, and appreciate their courtesies and cooperation during this audit. Exhibit B is a list of the relevant reports and testimonies issued by OIG. Exhibit C provides additional information on the specific DOT programs that received funding in ARRA and the statutory deadlines for spending the money.

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[3] OMB "Initial Implementing Guidance for the American Recovery and Reinvestment Act of 2009," February 18, 2009.

RESULTS: OVERSIGHT CHALLENGES FACING DOT

Based on our analysis of ongoing and prior audit work and observations of DOT's efforts to implement ARRA, we see three major oversight challenges facing DOT:

1. Ensuring that DOT's grantees properly spend ARRA funds;
2. Implementing new accountability requirements and programs mandated by ARRA; and
3. Combating fraud, waste, and abuse.

The challenges and 10 focus areas associated with them are shown in table 2.

Table 2. Major ARRA Challenges and Related Focus Areas for DOT

Challenges	Focus Areas
1. Ensuring that DOT's grantees properly spend ARRA funds	- Acquire sufficient personnel with relevant expertise to oversee grantees. - Adhere to existing Federal requirements for programs funded under ARRA. - Evaluate the credibility and completeness of cost and schedule estimates. - Oversee grantees' contracting management activities and ensure selection of appropriate contract types. - Address internal control weaknesses and identify unused funds for use elsewhere.
2. Implementing new accountability requirements and programs mandated by ARRA	- Implement new ARRA tracking and reporting requirements that are designed to promote accountability and transparency. - Develop comprehensive plans and sound criteria for the new discretionary grant and passenger rail programs within statutory deadlines. - Develop appropriate oversight strategies for the new discretionary grant and passenger rail programs.
3. Combating fraud, waste, and abuse	- Enhance understanding among DOT staff, grantees, and their contractors on how to recognize, prevent, and report potential fraud to the appropriate authorities. - Take timely and effective action to suspend and/or debar individuals or firms that have defrauded the Department so they do not receive Federal contracts in the future.

ENSURING THAT DOT'S GRANTEES PROPERLY SPEND ARRA FUNDS

The large amounts of funding that DOT is responsible for under ARRA and the accelerated time frames to use those funds will place great demands on DOT's workforce, oversight processes, business practices, and financial management systems. Accordingly, to meet these demands and provide effective oversight, DOT will need to:

- acquire sufficient personnel with relevant expertise to oversee grantees,
- adhere to existing Federal requirements for programs funded under ARRA,
- evaluate the credibility and completeness of cost and schedule estimates,
- oversee grantees' contracting management activities and ensure selection of appropriate contract types, and
- address internal control weaknesses and identify unused funds for use on other eligible projects.

Acquire Sufficient Staff With Relevant Expertise

DOT must ensure that it has sufficient personnel with relevant expertise to meet the increased workload, new requirements, and accelerated time frames associated with recovery spending. A sufficient and trained workforce is key to holding grantees accountable for contract actions and realistic cost and schedule estimates, and ensuring that state or local recipients can effectively manage their projects and the risks associated with the recovery program.

DOT officials expressed concerns about their ability to provide sufficient oversight with limited time and staff, particularly in regional and division offices, and noted actions under consideration. Some Operating Administrations are considering detailing staff from each of their Headquarters to their regional and division offices and rehiring retired Federal employees (often referred to as "rehired annuitants") on a temporary basis. DOT officials informed us that, earlier this month, the Office of Personnel Management granted DOT direct-hire authority and delegated to it dual compensation waiver authority. These hiring flexibilities should help enable DOT meet critical hiring needs. The key will be to utilize these flexibilities effectively to augment other staffing actions.

These temporary efforts are laudable; but the difficult tasks will be to implement them promptly, evaluate their workability, and make any course corrections, as needed. Additional options may also merit consideration in addressing the increased workload. One is to use private consultants to supplement—but not substitute for—DOT staff, such as FTA's use of project management oversight contractors (PMOCs).[4] As we previously reported, the PMOC approach can provide early warnings of cost, schedule, and quality problems, but does not preclude them. Follow-through by DOT staff is critical to the success of this approach. For example, on FTA's Lower Manhattan Recovery Projects (totaling $4.55 billion), the PMOCs identified key risks early on that were not sufficiently addressed, such as the insufficient management and technical capabilities exhibited by some grantees.[5] These issues contributed to significant cost increases and schedule delays and an inability to stay within an overall Federal funding cap. In the past year, FTA has enhanced its oversight of these projects and is working with grantees to address issues the PMOCs identified.

However, a key requirement for evaluating staffing shortfalls for ARRA work and other DOT demands is good information on DOT's workforce, including up-to-date plans. Our work has shown that more needs to be done in certain key areas. For example, DOT continues to face challenges in developing a comprehensive strategic plan for its entire acquisition workforce that oversees the direct award and administration of DOT contracts. DOT officials said they are having difficulty determining the total number of key acquisition workforce positions, such as contracting officer technical representatives and program managers. This is a result of the lack of critical information on these positions, including workforce size, knowledge and skills requirements, and attrition and retirement rates. Without such data, DOT is unable to identify employment trends and assess the current condition of the acquisition workforce, which are needed to determine the ideal composition, skill mix, and talent for its future.

In February 2009, DOT officials compiled a succession plan for the acquisition workforce. It includes a competency assessment for the entire acquisition workforce, some retirement information, hiring plans, and training strategies for contracting positions. As the Operating Administrations design strategies to address weaknesses identified in the plan, they will need to consider the impact of ARRA on the acquisition workforce. We plan to evaluate the adequacy of DOT's workforce as part of our future audit work evaluating the effectiveness of the Department's oversight of ARRA projects.

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[4] A project management oversight contractor is retained by FTA to evaluate a grantee's technical capacity to build, operate, and maintain a project and to monitor the grantee's implementation of a project. This is done in accordance with FTA guidance.

[5] OIG Report Number MH-2008-086, "Baseline Report on the Lower Manhattan Recovery Projects," September 26, 2008.

Adhere to Existing Federal Requirements for Programs Funded Under ARRA

DOT must avoid waiving or expediting existing requirements for the programs funded in ARRA and make sure that any required programmatic, financial, or engineering reviews are conducted in a rigorous and systematic manner. We have learned that when DOT's processes and procedures are short cut or bypassed, the potential for inefficient spending increases. Accordingly, DOT needs to carefully follow requirements in these areas by: (1) ensuring that planning requirements are met, including proper accounting for projects in a Statewide Transportation Improvement Program (STIP) and (2) following policies and procedures for the grant programs that received ARRA funding. These requirements exist to increase the likelihood that funds will be effectively planned and spent. As Secretary LaHood stated, DOT has committed to do things "by the book" by following established policies and procedures.

Follow Project Planning Requirements

The Federal Government has a number of key planning requirements, including reviews related to environmental, financial, and project management issues, which must be met before projects can receive Federal funding. DOT will need to ensure that any ARRA projects meet them, even though the Department will be under great pressure to get shovels in the ground. Particular attention must be focused on reviews of required STIPs for highway and transit projects, as well as Airport Improvement Program (AIP) grant applications for aviation projects.

Review of STIPs for highway and transit projects. STIPs lay out how states intend to use taxpayers' money to meet their transportation needs, and they are to identify which projects will be funded and the cost and funding sources for those projects. DOT requires that STIPs be fiscally realistic and present truthful and credible information. Having a realistic STIP is critical for transportation and budget planning purposes.

DOT must make sure that FHWA and FTA ARRA-funded projects are included in a STIP; and that they review each state's STIP for fiscal constraint and compliance with statutory requirements, particularly in light of the deteriorating budget situation that state and local governments are experiencing. Further, states must also ensure that the STIPs they submit to DOT have all the required assurances and certifications at the state level. Going forward, we will be assessing states' compliance with the STIP process as part of our planned audit work.

AIP grant planning. FAA must ensure that all ARRA-funded aviation construction projects go through its AIP planning and programming processes. By doing so, FAA and its airport sponsors will be assured that only shovel-ready, high-priority construction projects are approved for ARRA funding. FAA's processes include developing airport layout plans, assessing environmental impacts, completing preliminary designs, and determining project costs based on bids. Because these processes normally take several years to complete, FAA plans to fund only those projects that have already been through its grant review process and are ready to move to the construction phase. FAA must follow through on these plans and not circumvent any established AIP procedures as it evaluates AIP grant applications.

Follow Grant Policies and Procedures

Once projects are approved, DOT's Operating Administrations must ensure adherence to existing oversight requirements related to the grant programs receiving ARRA funds, including FHWA's Surface Transportation Program, FTA's Urbanized Area Formula Program, and FAA's AIP. Failure to follow existing Federal requirements could result in inefficient expenditure of scarce tax payer dollars.

FAA's experience in awarding airport grants in the aftermath of Hurricanes Katrina and Rita is an example of what can happen when speed trumps sound business practices. FAA expedited the award of 10 airport grants totaling $40.5 million under AIP, without completing steps in its grant award process. After bypassing controls to prevent duplicate payments and basing grant awards on bids rather than estimates, FAA issued grants for work that was later determined to be unneeded. Ultimately, FAA withdrew 7 of the 10 grants until oversight was improved and bids for hurricane-related projects were obtained.[6] Having learned important lessons through these hurricane relief efforts, FAA officials told us they intend to follow all AIP grant policies and procedures during implementation of ARRA. Additionally, FAA issued new ARRA grant guidance this month. In our discussions with FHWA and FTA, they also assured us they will not undermine any established policies and procedures in the rush to approve ARRA-funded projects.

Evaluate the Credibility and Completeness of Cost and Schedule Estimates

DOT must target its oversight efforts at ensuring that cost and schedule estimates are examined and deemed credible and complete, particularly the risks posed by larger and more complicated projects. Cost estimates that are too high could lead to excess and idle funds, while estimates that are too low could force grantees to

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[6] OIG Report Number AV-2007-014, "Oversight of Airport Improvement Program Hurricane Grants," December 13, 2006.

find other sources of funding to cover overruns. Having realistic estimates and staying on-time and on-budget are even more critical now, considering the tight fiscal environment in which state and local governments are operating.

Our prior audit work points to the need for an early and more rigorous evaluation of cost and schedule estimates for ARRA projects. We have seen projects where earlier and more rigorous evaluation of estimates would have been beneficial. For example, in 2008, after assessing cost estimates for the Dulles Corridor Metrorail Project,[7] two independent consultants for FTA determined that the project sponsor underestimated the impact of schedule delays. These delays, in turn, increased the overall cost estimate for this project to almost $3 billion—doubling an earlier estimate. Earlier scrutiny of the impact of schedule delays on cost estimates might have helped FTA avoid this situation and provide decisionmakers with more realistic information up front.

Oversee Grantees' Contracting Management Activities

To manage its portion of the economic recovery program, DOT and its grantees must ensure that effective contracting and financial practices are in place to make sound decisions under the tight time frames and quick roll out of the program. Actions needed are: (1) specifying contract requirements early, maximizing competition, and using appropriate contract types and (2) preventing unallowable costs, improper payments, and excessive overhead charges during contract execution.

The magnitude and the accelerated pace for spending ARRA dollars could exacerbate contract award problems we previously identified, such as use of inappropriate contract types, inadequate competition, and failure to ensure contract prices are fair and reasonable. Audits of DOT and state contracts used to respond to the Hurricane Katrina emergency found instances in which DOT money was spent inefficiently because grantees used risky contracting methods in spending Federal funds, such as sole-sourced contracts, which resulted in significantly higher costs.[8] For example, we found a state Department of Transportation awarded two sole-sourced contracts without assurance of fair and reasonable prices, which resulted in the state paying about $1.7 million more than necessary for bridge repairs.

DOT is taking steps to avoid a repeat of the problems it experienced in response to Hurricane Katrina. For example, it is stepping up its oversight of ARRA funding through outreach to grantees and posting frequently asked questions on the

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[7] OIG Report Number MH-2007-060, "Baseline Report on Major Project Monitoring of the Dulles Corridor Metrorail Project," July 27, 2007.

[8] OIG Report Number MH-2006-065, "Audit of the Mississippi Department of Transportation's Award of Selected Hurricane Katrina Emergency Repair Contracts," September 6, 2006.

websites of DOT's Operating Administrations; and it has implemented a "help desk" email site. Further, DOT's Office of the Senior Procurement Executive (OSPE) revised its Financial Assistance Guidance Manual in March 2009 to reflect the increased demands posed by ARRA. The manual sets a standardized process for grant processing and management. It will be important to widely disseminate this information down to the local grantee level, particularly to those grantees that have little or no experience in managing Federal dollars.

Address Internal Control Weaknesses and Identify Unused Funds for Use on Other Eligible Projects

DOT needs to identify and mitigate any internal control[9] weaknesses to be assured that ARRA funding is spent in an efficient and effective manner, and in accordance with Federal laws and regulations. OMB is requiring agencies to immediately assess risk and develop mitigation strategies to prevent internal control weaknesses in areas such as ensuring the prompt award and expenditure of ARRA dollars and minimizing improper payments. Our prior audit work shows that DOT has experienced problems in some of these areas. To comply with OMB's requirements and provide effective oversight of ARRA funding, DOT must: ensure that its risk mitigation plans address internal control weaknesses and actions to prevent them from recurring; identify unused funds promptly and take timely action to free them up for use on other projects; and detect and prevent improper payments.

Develop Risk Mitigation Plans That Address Internal Control Weaknesses

DOT and its Operating Administrations need to work with their grantees to correct internal control weaknesses that auditors have identified during DOT's financial statement audits and Single Audit Act reviews.[10] It is critical that DOT use the OMB-required risk assessment process as a way to identify strategies to prevent similar issues with ARRA funds. Taking action to prevent internal control lapses is particularly important for FHWA, which received more than half of DOT's total funding allocation under ARRA. DOT's Single Audit Act reviews related to FHWA grantees identified internal control weaknesses and instances of noncompliance with grant requirements at state DOTs across the country. For example, in the past year and a half, auditors issued qualified opinions on eight state DOTs' administration of Federal-aid grants because of problems identified during the Single Audit Act reviews.

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[9] Internal controls provide reasonable assurance of the effectiveness and efficiency of an agency's use of financial resources, the reliability of financial reporting, and compliance with applicable laws and regulations.

[10] The Single Audit Act requires state or local grantees to maintain a system of internal control over all Federal programs in order to demonstrate compliance with pertinent laws and regulations. Single Audit Act reviews are conducted to determine whether grantees are complying with these requirements.

DOT has been identifying internal control risks and developing a consistent risk management tool to ensure the successful implementation of ARRA. For example, FHWA Headquarters recently issued a memorandum directing its 52 Division Offices to implement a risk management program to identify primary risks in successfully implementing ARRA. First, FHWA directed its Division Offices to assess risks, prioritize them, and report the assessments to Headquarters. Second, the memorandum directed Division Offices to develop a risk management plan that involves "visual monitoring" of items, such as state financial transactions and consultant procurement and administration, enhanced financial oversight of states, and communications and outreach to assist states in mitigating risks. These are good first steps, but FHWA needs to make sure these efforts are conducted consistently and effectively across its 52 Division Offices, which are located in every state, the District of Columbia, and Puerto Rico.

Providing consistent oversight across field locations has presented a challenge in the past, particularly at FHWA. Our prior audit work indicates that FHWA had not always ensured consistency in oversight activities among its Division Offices. For example, our 2009 report on FHWA's oversight of the National Bridge Inspection Program showed that bridge engineers in the 10 states we reviewed did not perform Headquarters-recommended risk assessments of bridge conditions in a consistent or systematic manner.[11] This inhibited FHWA's ability to assess bridge-related risks nationwide, prioritize them, and target those higher priority risks for remediation in coordination with states.

Identify Unused Funds Promptly

To maximize the impact of ARRA funds on the economy, DOT must improve its controls for identifying unused funds in its financial management systems and taking appropriate action to release them on completed, canceled, and reduced-scope projects. Without sufficient controls, it is possible for unused funds to remain idle for long periods of time. This could prevent other worthy projects from receiving Federal funds and potentially undermine ARRA's ability to stimulate the U.S. economy by spurring construction activity across the country.

In particular, DOT needs to ensure that it is addressing control weaknesses we have identified in the past regarding unused funds. For example, FHWA implemented the Financial Integrity Review and Evaluation (FIRE) in fiscal year (FY) 2005 to improve oversight of Federal highway funds, including its ability to identify idle funds that could be freed up for use elsewhere. FIRE has improved FHWA's stewardship of Federal funds, but problems related to idle funds persist. This is evidenced by the fact that, in FY 2008, auditors again found idle funds at

[11] OIG Report Number MH-2009-013, "National Bridge Inspection Program: Assessment of FHWA's Implementation of Data-Driven, Risk-Based Oversight," January 12, 2009.

FHWA estimated at about $300 million. Similarly, we found that in 2007 FAA allowed numerous AIP grants to remain inactive and obligations to remain on closed grants, both for excessive periods of time.[12] These examples indicate that further management attention is needed to make sure that DOT's controls are effective at identifying unused funds that could be freed up for use on other eligible projects.

Detect and Prevent Improper Payments

In its guidance on implementing ARRA, OMB emphasized the need for Federal agencies, including DOT, to prevent improper payments. Improper payments are those made to an ineligible recipient or for an ineligible service, duplicate payments, and payments for services not received. Avoiding improper payments presents a challenge to DOT.

For example, during our review of controls over DOT's contract for Hurricane Katrina emergency disaster relief transportation, we found that an FAA contracting officer routinely authorized invoices for payment without any documentation from the contractor showing that the services had actually been provided.[13] In one instance, this lack of controls resulted in a $33 million overpayment to the contractor for emergency bus transportation services and chartered aircraft services, which was later recovered.

At FHWA, we have identified oversight weaknesses that led to improper payments, which must be avoided in the ARRA program. For example, in a recent audit of deficiencies in FHWA's oversight of design and engineering (D&E) firms' indirect costs claimed on Federal–aid grants, we reported that Federal funds were used to reimburse unallowable costs totaling nearly $16 million.[14] This occurred in part due to ineffective oversight by FHWA, state departments of transportation, and the certified public accounting firms hired by the D&E firms.

IMPLEMENTING NEW ACCOUNTABILITY REQUIREMENTS AND PROGRAMS MANDATED BY ARRA

In addition to increasing the funding levels of existing programs, ARRA placed additional challenges on DOT by (1) mandating several new reporting requirements that are designed to enhance accountability and transparency and

[12] OIG Report Number AV-2007-073, "FAA's Oversight of Inactive Airport Improvement Program Grant Obligations," September 13, 2007.
[13] OIG Report Number AV-2006-032, "Report on Internal Controls Over the Emergency Disaster Relief Services Contract," January 20, 2006.
[14] OIG Report Number ZA-2009-033, "Oversight of Design and Engineering Firms' Indirect Costs Claimed on Federal-Aid Grants," February 5, 2009.

(2) creating two new large programs that provide for $1.5 billion in supplementary discretionary grants to improve the Nation's transportation infrastructure and $8 billion in grants for high-speed rail corridors and intercity passenger rail service.[15] To meet these new demands, DOT will need to:

- implement new ARRA tracking and reporting requirements that are designed to promote accountability and transparency,
- develop comprehensive plans and sound criteria for the new discretionary grant and passenger rail programs created by ARRA, and
- develop appropriate oversight strategies for the new programs created by ARRA by drawing lessons learned from DOT's Operating Administrations.

Implement New Tracking and Reporting Requirements Designed To Promote Accountability and Transparency

To meet ARRA requirements, DOT must ensure that its financial management systems are able to track ARRA spending and produce reliable information to report on results in a meaningful way. These new requirements are spelled out in OMB's February 2009 implementation guidance. To carry out these requirements, DOT must ensure that its financial management systems are able to clearly and reliably track recovery funds separately from other program funds. Beginning in February 2009, OMB directed DOT and other agencies to distinguish ARRA funds from non-ARRA funds in all agency financial systems, business systems, and reporting systems. Further, OMB's guidance requires agencies to submit regular reports and the information to generate these reports will come largely from DOT's financial management systems. We met with officials in DOT's Operating Administrations to discuss these issues and they informed us they have been working to modify their financial management systems to meet the new ARRA-related requirements. The key will be following through with these plans and making any needed adjustments to DOT's financial management systems as ARRA is implemented.

DOT will need to stay focused on ensuring that its financial management systems are programmed to enable officials to meet ARRA requirements related to the tracking of funds. It will also need to report on the impact of the ARRA investment promptly (such as the number of jobs created) and provide meaningful information in these required reports. For example, beginning on May 8, 2009, current OMB guidance would require DOT to provide monthly financial reports citing obligations, expenditures, and other financial data by Treasury Account,

[15] ARRA stipulates that the discretionary grant program can be used for a variety of projects, including highway, bridge, public transportation, passenger and freight rail, or port infrastructure projects.

vendor, and award number, and information on allocations of mandatory and entitlement programs by state or other appropriate geographical unit.

DOT also needs to aggressively enforce the new reporting requirements and ensure that grantees are reporting accurate and complete information. Further, DOT would face an even greater challenge if OMB decides to expand current contractor reporting requirements, which is under consideration.

Obtaining accurate information from DOT grantees has been an issue in the safety arena. For example, we previously reported on inaccuracies in FRA's national grade crossing inventory database[16] and significant weaknesses in the data reported by states and motor carriers to the Motor Carrier Safety Status Measurement System.[17] Some ARRA information will be available publicly on www.recovery.gov[18] and, therefore, must meet DOT and OMB data quality requirements. This underscores the need to make sure DOT's financial systems are reporting reliable and complete information. Actions taken in the past to promote complete state reporting of data in the safety arena have included public disclosure of states with reporting problems by means of a data quality map, and individual state reviews to assess data quality issues.[19]

Our prior audit work highlights the need for DOT to focus attention on meeting the new tracking and reporting requirements. In the past, DOT has not always been able to use its financial management systems to ensure accountability for Federal dollars or report on results. For example, in the wake of the 2007 collapse of the I-35W bridge in Minnesota, we testified that FHWA must improve accountability by enhancing its ability to track states' use of Highway Bridge Program funding.[20] FHWA was unable to determine how much of this funding was actually spent on structurally deficient bridges, because its financial management system did not differentiate between spending on structurally deficient bridges and other bridge-related expenditures. This inhibited FHWA's ability to assess the impact of Federal dollars on bridge conditions.

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[16] OIG Report Number MH-2004-065, "Audit of the Highway Rail-Grade Crossing Safety Program," June 16, 2004.

[17] OIG Report Number MH-2004-034, "Improvements Needed in the Motor Carrier Safety Status Measurement System," February 13, 2004

[18] The Administration created a website, www.recovery.gov, to provide information to the public on the planning and implementation of ARRA.

[19] OIG Correspondence Control No. 2006-041, Correspondence to Representative Petri Regarding SafeStat Data Quality, May 7, 2007.

[20] OIG Testimony CC-2007-095, "Federal Highway Administration's Oversight of Structurally Deficient Bridges," September 5, 2007.

Develop Comprehensive Plans and Sound Criteria for OST's Discretionary Grant Program and FRA's Passenger Rail Program

To design these new programs, DOT will need to accomplish a variety of tasks in a short time. First, it must develop a comprehensive plan for each program, including goals and objectives, to ensure that the capital improvements are integrated into a national system. Second, it must develop criteria and a transparent process for selecting projects within the time frames Congress specified. Third, it must issue clear guidance for program implementation.

DOT is planning for these programs, but meeting statutory deadlines will be difficult due to the number of tasks that must be completed in short time frames. Although DOT does not face the same deadlines for spending the money that ARRA mandated for existing programs, it is still required to quickly produce planning documentation and guidance. ARRA directs OST to publish criteria for its grant program within 90 days of ARRA enactment, accept applications for grants within 180 days after the criteria are published, and announce all projects selected within 1 year of ARRA enactment. Further, ARRA requires FRA to produce a strategic plan for the passenger rail program within 60 days of ARRA enactment and interim implementation guidance to applicants within 120 days.

OST's New Discretionary Grant Program

To meet these deadlines, the Secretary established a working group within OST to develop criteria for the discretionary grant program and determine the best administrative structure. OST also has a task force providing advice, consisting of staff from the Operating Administrations. According to DOT officials, a central issue for the group is determining the most appropriate place to administer the grants—within OST or the Operating Administration that would normally be responsible for a particular type of project. For example, OST could delegate administrative responsibility for a bridge replacement project to FHWA. If the Secretary decides to delegate authority over projects to the Operating Administrations, the Department would need to decide how this delegation of authority would work within the established goals and requirements of ARRA.

FRA's New Passenger Rail Program

DOT has not previously implemented the large-scale high-speed passenger rail program called for in the ARRA. It lacks recent experience overseeing the design and construction of a new high-speed rail system—in particular a new, stand-alone high-speed rail system. FRA has allocated staff to plan the high-speed rail and intercity rail service program, determine how to allocate the funds among the three eligible purposes,[21] and develop program guidance within the statutory time frames. Because FRA is a small agency that had few grant programs before ARRA was passed, it is critical for FRA staff to leverage the in-house expertise throughout DOT and determine what additional resources it may need. According to FRA officials, they have consulted with other Operating Administrations for advice and are considering a variety of options to overcome staffing shortfalls and insufficient expertise, such as borrowing staff from FTA or FHWA and hiring consultants.

To design and implement this program, FRA will need to develop strategies to address several tough issues prior to implementation. Those key issues include:

- Ensuring that grantees obtain enforceable and meaningful capital investment agreements with private freight railroads so that users of intercity passenger rail receive benefits from these investments.
- Establishing sufficient controls to be assured that Federal investments do not simply supplant investments the freight railroads already planned to undertake on their rail lines.
- Integrating the capital improvements and associated service enhancements into a national intercity rail system that is tied to an overall strategic plan.
- Acquiring the financial and economic modeling expertise needed to evaluate a project's financing plans and revenue and ridership projections. This is important because most grantees will likely finance their projects through a mix of self-generated revenues (such as through the farebox), and Federal, state, and private investments. Equally important is conducting appropriate analysis of the viability of a high-speed rail project's long-term operating plan to ensure adequate resources are identified up-front that would allow these systems to continue operating over the long run.

Develop Appropriate Oversight Strategies for New Programs by Drawing Lessons From DOT's Operating Administrations

Not all of the challenges facing FRA and OST are unique. Like the other DOT Operating Administrations receiving ARRA funds, they will need to eventually focus on deploying sufficient staff to implement these new programs and provide oversight to construction projects to ensure they are properly managed by grantees. However, the oversight challenges facing FRA and OST are exacerbated by the fact that they have limited experience managing large grant programs.

[21] According to FRA, the $8 billion can be used for three programs: (1) high-speed corridor program, (2) intercity passenger rail service grants, and (3) congestion grants.

Because both FRA and OST have some time before projects will be under construction, they need to use this period to evaluate the experiences of other Operating Administrations for lessons learned on what has worked well in the past. Then, they will need to decide what type and level of oversight to provide to projects. For example, FRA and OST could use a data-driven, risk-based approach to target their oversight efforts at projects that pose the highest risk due to certain factors, such as those projects with the largest dollar amounts committed or grantees with less experience in managing Federal grants. Along these lines, FHWA is implementing a data-driven, risk-based approach to overseeing the National Bridge Inspection Program, based on our recommendations.

Similarly, FRA and OST could learn from FTA's experience in standing up its Lower Manhattan Recovery Projects program. FTA created a separate Recovery Office to oversee the $4.55 billion Federal investment.[22] This office included reassigned FTA staff and consultants to help provide oversight and advice on engineering, financial, environmental, security, and other issues. An approach like this could enable FRA and OST to quickly implement their new programs.

COMBATING FRAUD, WASTE, AND ABUSE

DOT needs to tailor its counter-fraud efforts to adapt to the increase in capital funding associated with the recovery program and the expected surge in construction activity throughout the country. OMB's ARRA implementation guidance directs Federal agencies to be aggressive in preventing fraud, waste, and abuse. Accordingly, DOT will need to:

- enhance understanding among DOT staff, grantees, and their contractors on how to detect, prevent, and report potential fraud and
- take timely and effective action to suspend and/or debar individuals or firms that have defrauded DOT so they do not receive future Federal contracts.

Enhance Understanding Among DOT Staff, Grantees, and Their Contractors on How To Detect, Prevent, and Report Potential Fraud

DOT must target its outreach efforts at deterring fraud schemes that have occurred on past DOT projects and could occur on projects that receive funding under the recovery program. They include false claims for materials and labor, bribes related to contracts for materials or labor, product substitution, and disadvantaged business enterprises fraud. Table 3 on the next page presents a list of common

[22] OIG Testimony CC-2006-056, "Lower Manhattan Reconstruction Lessons Learned from Large Transportation Projects," July 13, 2006.

fraud schemes that must be prevented under ARRA. DOT will need to make sure that state and local grantees, and their contractors, understand how to detect, deter, and report these types of transportation-related fraud to the appropriate authorities.

An important way to deter fraud is for DOT staff and grantees to be aware of certain "red flag" indicators typically associated with fraud schemes. For example, any mismarking or mislabeling on products and materials might indicate product substitution fraud. The best way to make individuals aware of these indicators is to conduct systematic fraud prevention education in the field. A description of fraud indicators is presented in exhibit D.

Table 3. Common Fraud Schemes Found on DOT-Funded Projects

Fraud Scheme	Description
Bid Rigging and Collusion	Contractors misrepresent that they are competing against each other when they actually agree to cooperate on the winning bid to increase job profit.
Materials Overcharging	A contractor misrepresents how much construction material was used on a job and is paid for excess material to increase job profit.
Time Overcharging	A consultant misrepresents the distribution of employee labor to charge for more work hours, or a higher overhead rate to increase profit.
Product Substitution	A contractor misrepresents the product used in order to reduce costs for construction materials.
Disadvantaged Business Enterprises Fraud	A contractor misrepresents who performed the work in order to appear to be in compliance with contract goals for involvement of minority/women-owned businesses.
Quality-Control Testing Fraud	A contractor misrepresents the results of quality control tests to earn contract incentives falsely or to avoid production shutdown in order to increase profits or limit costs.
Bribery	A contractor compensates a government official in order to obtain contracts or permit overcharges.
Kickbacks	A contractor or subcontractor misrepresents the cost of performing work by secretly paying a fee for being awarded the contract and, therefore, inflating the cost to the government.
Conflicts of Interest	A contracting or oversight official has an undisclosed financial interest in a contractor or consultant, resulting in improper contract award or inflated costs.

Source: DOT OIG.

DOT has taken action to strengthen its fraud awareness and outreach efforts to more aggressively combat fraud, but continued vigilance and follow-through at all levels of the Department are needed to be assured that ARRA dollars are spent appropriately. DOT is taking action on fraud prevention in two key areas. First, DOT and the Operating Administrations receiving ARRA funds will need to increase outreach efforts to recipients of Federal grants and contracts to ensure they have meaningful ethics programs and sound internal controls to recognize, prevent, and report fraud. OIG has been working constructively with DOT officials to assist them in their counter-fraud outreach efforts. For example, earlier this month, the Secretary of Transportation and the Inspector General hosted a webcast to DOT staff that focused on how to prevent fraud, waste, and abuse involving common fraud schemes. Our special agents have also been and will continue providing fraud awareness briefings to DOT staff and grantees at the state and local levels throughout the Nation.

Second, DOT must continue to follow through to fully implement its ethics program. Last year, we reported that DOT needed to develop and maintain a robust ethics program to promote integrity across transportation programs. In response, in June 2008, the Department instituted an enhanced annual ethics training program for all acquisition and grants management personnel Department-wide. The implementation of ARRA underscores the need to follow through and fully implement this important annual training requirement.

Take Timely and Effective Action To Suspend and/or Debar Individuals or Firms That Have Defrauded DOT so They Do Not Receive Future Federal Contracts

DOT will need to ensure timely and effective action is taken on suspension and debarment cases against those individuals or firms that have defrauded the Department. Federal regulations prohibit firms and individuals without satisfactory records of integrity and business ethics from receiving Federal contracts or assistance agreements. DOT revised its policy in June 2005, in part, to improve timely decisionmaking of suspension and debarment actions. However, our ongoing work shows that the Department needs to improve the policy—and its implementation—to provide for more timely processing and reporting of suspension and debarment actions.

Our work has shown that the Operating Administrations do not consistently take suspension and debarment actions in a timely manner, even though the DOT order requires such decisions be made within 45 days. Taking action to address these deficiencies is critical as DOT embarks on the implementation of ARRA. For example, over half of the 45 actions we reviewed (56 percent) were not processed within the required 45 days. For 19 of these actions, the Operating

Administrations took from 10 days to more than 2 ½ years longer than the 45-day standard to render final decisions. The remaining six debarment actions we reviewed are still awaiting a decision from the debarring officials, which currently takes between 165 and 945 days.

Further, in February 2009, the Government Accountability Office (GAO) testified that it had confirmed allegations that businesses and individuals suspended or debarred for egregious offenses were continuing to receive Federal contracts.[23] Our work did not find any DOT contracts or assistance agreements awarded to suspended or debarred firms or individuals. However, deficiencies in DOT's suspension and debarment policy and implementation leave DOT, as well as other Federal agencies, vulnerable to doing business with fraudulent or unethical firms or individuals. This risk will increase significantly under the recovery program.

CONCLUSIONS AND RECOMMENDATIONS

The significant increase in funding for transportation projects associated with ARRA adds new challenges on top of the longstanding ones we have highlighted in past reports to the Secretary of Transportation and Congress. At the same time, ARRA presents an opportunity for DOT to make needed or neglected investments in the repair, rehabilitation, and modernization of our aging transportation infrastructure; to fund projects to reduce congestion; and to improve the safety of our Nation's transportation system.

We recognize the TIGER team-led efforts that the Department has underway to successfully implement the ARRA program. To assist in these efforts, our report condensed the challenges into 10 areas where DOT must exhibit sustained and effective actions and oversight. To that end, our future audit work will use a risk-based strategy, carried out in coordination with the Government Accountability Office, to evaluate DOT's management of the ARRA programs and its oversight over grantees and contractors receiving recovery funding.

To ensure sufficient consideration of the potential risks discussed in this report, we recommend that the Secretary of Transportation, through the DOT TIGER team, develop an oversight implementation plan that outlines the key actions DOT already has underway or will take to:

- Acquire sufficient personnel with relevant expertise to oversee grantees;

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[23] GAO Testimony GAO-09-419T, "Excluded Parties List System: Suspended and Debarred Businesses and Individuals Improperly Receive Federal Funds," February 26, 2009.

- Adhere to existing Federal requirements for programs funded under ARRA;
- Evaluate the credibility and completeness of cost and schedule estimates;
- Oversee grantees' contracting management activities and ensure selection of appropriate contract types;
- Address internal control weaknesses and identify unused funds for use on other eligible projects;
- Implement new ARRA tracking and reporting requirements that are designed to promote accountability and transparency;
- Develop comprehensive plans and sound criteria for the new discretionary grant and passenger rail programs created by ARRA;
- Develop appropriate oversight strategies for the new programs created by ARRA by drawing lessons from DOT's Operating Administrations;
- Enhance understanding among DOT staff, grantees, and their contractors on how to recognize, prevent, and report potential fraud; and
- Take timely and effective action to suspend and/or debar individuals or firms that have defrauded the Department so they do not receive Federal contracts in the future.

In addition, the plan should prioritize the greatest risks for DOT and address open OIG recommendations from prior audit reports that have relevance to the implementation of ARRA.

AGENCY COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE

We provided a draft of this report to DOT for review and comment on March 18, 2009. DOT provided us its formal comments on March 26, 2009, which we incorporated into this report, as appropriate. DOT's complete comments are included as the appendix to this report. DOT also provided informal technical clarifications, which we incorporated into this report, as appropriate. In its formal comments, DOT agreed that vigilant oversight of ARRA funding is critical to the successful implementation of ARRA and described some of the efforts it has underway, including the work of the DOT TIGER team. We have included highlights of DOT's key efforts in our report and recognize the ongoing commitment and actions of the Department's leadership to ensuring the efficient and effective use of ARRA funds. DOT also concurred with our recommendation and agreed to provide us with a document outlining actions taken and planned to address our 10 focus areas.

ACTIONS REQUIRED

We consider DOT's planned actions to be reasonable. However, in accordance with Department of Transportation Order 8000.1C, we request that DOT provide us with the plan called for in our recommendation within 30 days of the date of this report.

If you have any questions, please call me at (202) 366-1959, or Ann Calvaresi-Barr, Principal Assistant Inspector General for Auditing and Evaluation at (202) 366-1427.

#

cc: Members of the DOT TIGER team

EXHIBIT A. SCOPE AND METHODOLOGY

The objective of this audit was to highlight key ARRA oversight challenges—based on prior OIG reports and other agencies' relevant audit work—and identify actions DOT should take now in support of ARRA requirements. To address our audit objective, we conducted a comprehensive review of our prior work on relevant surface transportation and aviation oversight issues, including: work on major highway and transit projects, Hurricanes Katrina and Rita recovery projects, and AIP grant oversight projects. We also reviewed the relevant work of other organizations that have reported on transportation-related oversight issues, including GAO.

Specifically, we:

- reviewed the existing body of OIG, GAO, and others' work (for example, Single Audits) to identify past challenges that are likely to apply to projects funded under ARRA.
- held discussions with OST, FHWA, FRA, FTA, FAA, and MARAD officials; DOT's TIGER Team; and representatives of surface transportation groups and an aviation constituency group to identify what they believe are the oversight challenges to the economic stimulus projects and obtain information on DOT's preliminary efforts to prepare for the implementation of ARRA.
- identified and analyzed internal DOT Operating Administration reports to identify challenges previously known within DOT.
- coordinated with OIG's investigative offices to identify other work that was relevant to oversight challenges facing DOT.

We conducted this performance audit from January through March 2009 in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

EXHIBIT B. RELEVANT OIG REPORTS AND TESTIMONIES

OIG Testimony Number CC-2009-045, "Top Management Challenges Facing the Department of Transportation," March 10, 2009.

OIG Report Number ZA-2009-033, "Oversight of Design and Engineering Firms' Indirect Costs Claimed on Federal-Aid Grants," February 5, 2009.

OIG Report Number MH-2009-013, "National Bridge Inspection Program: Assessment of FHWA's Implementation of Data–Driven, Risk–Based Oversight," January 12, 2009.

OIG Report Number AV-2009-012, "FAA's Management and Maintenance of Air Traffic Control Facilities," December 15, 2008.

OIG Report Number PT-2009-005, "FY 2009 Top Management Challenges," November 17, 2008.

OIG Report Number MH-2008-086, "Baseline Report on the Lower Manhattan Recovery Projects," September 26, 2008.

OIG Report Number AV-2008-002, "Prioritization of Airport Improvement Program Funding," October 26, 2007.

OIG Report Number CR-2007-079, "Growth in Highway Construction and Maintenance Costs," September 26, 2007.

OIG Report Number AV-2007-073, "FAA's Oversight of Inactive Airport Improvement Program Grant Obligations," September 13, 2007.

OIG Report Number AV-2007-066, "Review of Congressional Earmarks Within Department of Transportation Programs," September 7, 2007.

OIG Testimony Number CC-2007-095, "Federal Highway Administration's Oversight of Structurally Deficient Bridges," September 5, 2007.

OIG Report Number MH-2007-060, "Baseline Report on Major Project Monitoring of the Dulles Corridor Metrorail Project," July 27, 2007.

OIG Report Number AV-2007-014, "Oversight of Airport Improvement Program Hurricane Grants," December 13, 2006.

OIG Report Number MH-2006-065, "Audit of the Mississippi Department of Transportation's Award of Selected Hurricane Katrina Emergency Repair Contracts," September 6, 2006.

OIG Testimony Number CC-2006-056, Before the Committee on Homeland Security Subcommittee on Management, Integration, and Oversight, U. S. House of Representatives, "Lower Manhattan Reconstruction: Lessons Learned from Large Transportation Projects," July 13, 2006.

OIG Report Number AV-2006-051, "Internal Controls over Payments for Emergency Disaster Relief Transportation Services," June 30, 2006.

OIG Report Number AV-2006-032, "Internal Controls over the Emergency Disaster Relief Transportation Services Contract," January 20, 2006.

OIG Report Number FI-2006-011, "Inactive Obligations," November 14, 2005.

OIG Report Number AV-2005-062, "Safety Oversight of an Air Carrier Industry in Transition," June 3, 2005.

OIG Report Number MH-2005-046, "FHWA Needs to Capture Basic Aggregate Cost and Schedule Data to Improve Its Oversight of Federal-Aid Funds," February 15, 2005.

OIG Report Number FI-2005-044, "FAA Inactive Obligations," January 31, 2005.

OIG Report Number MH-2005-012, "Managing Risk in the Federal-Aid Highway Program," November 19, 2004.

OIG Report Number MH-2004-098, "Audit of the Tren Urbano Rail Transit Project," September 29, 2004.

OIG Report Number AV-2004-094, "FAA's Administration and Oversight of Regionally Issued Contracts," September 28, 2004.

OIG Report Number IN-2003-003, "Audit of the Springfield Interchange Project," November 22, 2002.

OIG Report Number FI-2002-092, "Oversight of Cost-Reimbursable Contracts," May 8, 2002.

EXHIBIT C. ARRA ALLOCATION AND EXPENDITURE DEADLINES AND REDISTRIBUTION REQUIREMENTS

Funding Type	Amount	Available Through	Deadlines
FAA Infrastructure	$200 million	9/30/2010	NA
FAA Airport Improvement Program	$1.1 billion	9/30/2010	• 50% of total to be awarded within 120 days of enactment • 100% of total within 1 year of enactment
FHWA Infrastructure	$27.5 billion	9/30/2010	• 50% of total to be obligated within 120 days from the apportionment or forfeit the unobligated portion of that 50% to redistribution process • 100% of remainder within 1 year from the apportionment or forfeit 100% of unobligated funds to redistribution process
FRA Rail	$8 billion	9/30/2012	NA
FRA Amtrak	$1.3 billion	9/30/2010	NA
FTA Transit Capital Assistance	$6.9 billion	9/30/2010	• 50% of total to be obligated within 180 days from the apportionment or forfeit the unobligated portion of that 50% to redistribution process • 100% of remainder within 1 year from the apportionment or forfeit 100% of unobligated funds to redistribution process
FTA Transit Capital Investment Grants	$750 million	9/30/2010	Priority for projects currently in construction or projects that can obligate funds within 150 days of enactment of Act
FTA Fixed Guideway Infrastructure Investment	$750 million	9/30/2010	• 50% of total to be obligated within 180 days from the apportionment or forfeit the unobligated portion of that 50% to redistribution process • 100% of remainder within 1 year from the apportionment or forfeit 100% of unobligated funds to redistribution process
MARAD	$100 million	9/30/2010	100% of total to be obligated within 180 days of the date of distribution
OST Discretionary	$1.5 billion	9/30/2011	NA
OIG	$20 million	9/30/2013	NA

Exhibit C. ARRA Allocation and Expenditure Deadlines and Redistribution Requirements

EXHIBIT D. "RED FLAG" INDICATORS FOR COMMON FRAUD SCHEMES AND HOW TO REPORT SUSPECTED FRAUD

The following are brief descriptions of selected fraud schemes commonly seen on transportation projects, along with sample "Red Flag" indicators for each scheme. It is important to note that the presence of one or more indicators does not prove fraud, nor are the indicators shown all inclusive for each of the schemes described.

Bid Rigging and Collusion
In bid rigging and collusion schemes, contractors misrepresent the competition against each other when, in fact, they agree to cooperate on the winning bid to increase job profit. Watch for:

- Unusual bid patterns: too close, too high, rounded numbers, or identical winning margins or percentages.
- Different contractors making identical errors in contract bids.
- Bid prices dropping when a new bidder enters the competition.
- Rotation of winning bidders by job, type of work, or geographic area.
- Losing bidders hired as subcontractors.
- Apparent connections between bidders: common addresses, personnel, or phone numbers.
- Losing bidders submitting identical line item bid amounts on nonstandard items.

Materials Overcharging
In materials overcharging schemes, a contractor misrepresents how much construction material was used on the job and is then paid for excess material to increase job profit. Watch for:

- Discrepancies between contractor-provided quantity documentation and observed data, including yield calculations.
- Refusal or inability to provide supporting documentation.
- Contractor consistently loading job materials into equipment away from inspector oversight.
- Truck weight tickets or plant production records with altered or missing information.
- Photocopies of quantity documentation where originals are expected.

- Irregularities in color or content of weight slips or other contractor documents used to calculate pay quantities.

Time Overcharging
In a time overcharging scheme, a consultant misrepresents the distribution of employee labor on jobs in order to charge for more work hours or a higher overhead rate, to increase profit. Watch for:

- Unauthorized alterations to time cards and other source records.
- Billed hours and dollars consistently at or near budgeted amounts.
- Time cards filled out by supervisors, not by employees.
- Photocopies of timecards where originals are expected.
- Inconsistencies between a consultant's labor distribution records and employee timecards.

Product Substitution
In product substitution schemes, a contractor misrepresents the product used in order to reduce costs for construction materials. Watch for:

- Any mismarking or mislabeling of products and materials.
- Contractor restricting or avoiding inspection of goods or service upon delivery.
- Contractor refusing to provide supporting documentation regarding production or manufacturing.
- Photocopies of necessary certification, delivery, and production records where originals are expected.
- Irregularities in signatures, dates, or quantities on delivery documents.
- High rate of rejections, returns, or failures.
- Test records reflect no failures or a high failure rate but contract is on time and profitable.
- Unsigned certifications.

Disadvantaged Business Enterprises (DBE) Fraud
In disadvantaged business enterprises schemes, a contractor misrepresents who performed contract work in order to appear to be in compliance with contract goals for involvement of minority or women-owned businesses. Watch for:

- Minority owner lacking background, expertise, or equipment to perform subcontract work.

- Employees shuttling back and forth between prime contractor and minority-owned business payrolls.
- Business names on equipment and vehicles covered with paint or magnetic signs.
- Orders and payment for necessary supplies made by individuals not employed by minority-owned business.
- Prime contractor facilitated purchase of minority-owned business.
- Minority-owned business owner never present at job site.
- Prime contractor always uses the same minority-owned business.

Quality-Control Testing Fraud
In quality-control testing schemes, a contractor misrepresents the results of quality control (QC) tests to falsely earn contract incentives or to avoid production shutdown in order to increase profits or limit costs. Watch for:

- Contractor employees regularly taking or labeling QC samples away from inspector oversight.
- Contractor insisting on transporting QC samples from the construction site to the lab.
- Contractor not maintaining QC samples for later quality assurance (QA) testing.
- Contractor challenging results, or attempting to intimidate QA inspectors who obtain conflicting results.
- Photocopies of QC test results where originals are expected.
- Alterations or missing signatures on QC test results.

Bribery
In bribery schemes, a contractor compensates a government official to obtain a contract or permit contract overcharges. Watch for:

- Other government inspectors at the job site noticing a pattern of preferential contractor treatment.
- Government official having a lifestyle exceeding his/her salary.
- Contract change orders lacking sufficient justification.
- Oversight officials socializing with or having business relationships with contractors or their families.

Kickbacks
In kickback schemes, a contractor or subcontractor misrepresents the cost of performing work by secretly paying a fee for being awarded the contract and therefore inflating job costs to the government. Watch for:

- Unexplained or unreasonable limitations on the number of potential subcontractors contracted for bid or offer.
- Continuing awards to subcontractors with poor performance records.
- Non-award of subcontract to lowest bidder.
- "No-value-added" technical specifications that dictate contract awards to particular companies.

Conflicts of Interest
In conflict of interest schemes, a contracting or oversight official has an undisclosed financial interest in a contractor or consultant, resulting in improper contract award or inflated costs. Watch for:

- Unexplained or unusual favoritism shown to a particular contractor or consultant.
- Government official disclosing confidential bid information to a contractor or assisting the contractor in preparing the bid.
- Employee having discussions about employment with a current or prospective contractor or consultant.
- Close socialization with and acceptance of inappropriate gifts, travel, or entertainment from a contractor.
- Vendor or consultant address is incomplete or matching employee's address.
- Government official leasing or renting equipment to a contractor for performing contract work.

Reporting Concerns About Fraud, Waste, or Abuse

OIG maintains a Hotline to report allegations of fraud, waste, and abuse in DOT programs or operations. Allegations may be reported by DOT employees, contractors, or the public. The OIG Hotline is available 24 hours a day, 7 days a week. Individuals who contact the Hotline, via telephone or letter, are not required to identify themselves. However, persons who report allegations are encouraged to identify themselves in the event additional questions arise as the OIG evaluates or pursues their allegations.

Report suspicions and allegations of fraud, waste, and abuse to OIG by using one of the following methods:

- Online complaint form: www.oig.dot.gov/hotlineform.jsp
- Telephone: (800) 424-9071
- Fax: (540) 373-2090
- E-mail: hotline@oig.dot.gov
- Mail: DOT Inspector General
  P.O. Box 708
  Fredericksburg, VA 22404-0708

APPENDIX. MANAGEMENT COMMENTS

U.S. Department of Transportation
Office of the Secretary
Of Transportation

1200 New Jersey Ave., S.E.
Washington, DC 20590

March 26, 2009

MEMORANDUM TO: Calvin L. Scovel, III
Inspector General

Joel Szabat
Deputy Assistant Secretary
for Transportation Policy

FROM: Lana Hurdle
Acting Assistant Secretary
for Budget and Programs

Linda J. Washington
Assistant Secretary for
Administration

SUBJECT: Departmental Comments on Office of Inspector General (OIG) Draft Report, "American Recovery and Reinvestment Act of 2009: Oversight Challenges Facing the Department of Transportation"

The Department of Transportation is committed to performing an outstanding job implementing the President's initiative to enhance economic growth through the American Recovery and Reinvestment Act (ARRA). This commitment to excellence started well in advance of the Act being signed into law. In January, the Department assembled a leadership team to provide oversight and serve as a conduit for coordinated and consistent intermodal implementation of the Act. Under the auspices of this overall Transportation Investment Generating Economic Recovery (TIGER) Team, the leadership created a dynamic forum for exchanging information and provided guidance for consistent action throughout the Department. The benefits of the Department's fast response in anticipation of ARRA are already becoming apparent. For example, these efforts positioned DOT to rapidly obtain direct hire and rehired annuitant authority from OPM. Further, a DOT risk management tool was developed early to strengthen internal DOT controls and the tool was subsequently adopted verbatim by OMB for government-wide application. In addition, the TIGER Team is using leading edge, web-based interactive technology to enable expedited information sharing and data tracking. For example, it developed a web-based interactive master planning document that tracks progress and assigns responsibility for each of the Department's major actions. We also created a web-based capability for tracking action and responsibility on recommendations made by the OIG and the Government Accountability Office (GAO) pertaining to ARRA implementation.

In addition to the overall perspective provided by the TIGER Team, it also created the capabilities to provide detailed guidance and leadership in key areas affecting ARRA implementation. Individual stewardship groups were established to gather expertise from across the Department to address common issues and identify coordinated and appropriate actions. These groups provide leadership in the areas of financial stewardship, data collection, procurement, and grant management, job measurement, information technology and communication. Finally, an Accountability Stewardship group has been established with the participation of TIGER leadership, the OIG and GAO. The purpose of this group is to achieve the type of transparency envisioned by ARRA, and provide an efficient forum for sharing information between management and the audit entities.

We appreciate the information provided in the OIG's draft report and will provide detailed information to the OIG on actions taken and planned in each of the ten emphasis areas identified in the report. We intend to provide this information within 30 days of the final report's issuance. Finally, please note that we shared with your staff, a separate listing of technical and specific comments from throughout DOT to correct errors in your report and for your consideration in finalizing the report. Please contact Martin Gertel at (202) 366-5145 with any questions or if you require further information.

United States Government Accountability Office

GAO

Testimony
Before the Committee on Transportation and Infrastructure, House of Representatives

For Release on Delivery
Expected at 11:00 a.m. EDT
Wednesday, April 29, 2009

RECOVERY ACT

Initial Results on States' Use of and Accountability for Transportation Funds

Statement of Katherine Siggerud, Managing Director
Physical Infrastructure Issues

GAO
Accountability * Integrity * Reliability

GAO-09-597T

GAO
Accountability • Integrity • Reliability

Highlights

Highlights of GAO-09-597T, a testimony before the Committee on Transportation and Infrastructure, House of Representatives

Why GAO Did This Study

The American Recovery and Reinvestment Act of 2009 (Recovery Act) provided $48.1 billion in additional spending at the Department of Transportation (DOT) for investments in transportation infrastructure, including highways, passenger rail, and transit.

This statement provides a general overview of (1) selected states' use of Recovery Act funds for highway programs, (2) the approaches taken by these states to ensure accountability for these funds, and (3) the selected states' plans to evaluate the impact of the Recovery Act funds that they receive for highway programs. This statement is based on work in which GAO examined the use of Recovery Act funds by a core group of 16 states and the District of Columbia, representing about 65 percent of the U.S. population and two-thirds of the intergovernmental federal assistance available through the Act. GAO issued its first bimonthly report on April 23, 2009.

What GAO Recommends

In its first bimonthly report on the Recovery Act, GAO made recommendations to the Office of Management and Budget (OMB) in three broad areas: (1) accountability and transparency requirements, (2) administrative support and oversight, and (3) communications. In general, OMB concurred with the overall objectives of the recommendations.

View GAO-09-597T or key components. For more information, contact Katherine Siggerud at (202) 512-2834 or siggerudk@gao.gov.

April 29, 2009

RECOVERY ACT

Initial Results on States' Use of and Accountability for Transportation Funds

What GAO Found

According to DOT, as of mid-April, the 17 locations that GAO reviewed had obligated $3.3 billion of the over $15 billion (21 percent) in highway investment funds that DOT had apportioned to them. These funds will be used in about 900 projects. States are using existing statewide plans to quickly identify and obligate funding for Recovery Act transportation projects. Several states have generally focused on rehabilitation and repair projects, because these projects require less environmental review or design work. For example, the New Jersey Department of Transportation selected 40 projects and concentrated mainly on projects that require little environmental clearance or extensive design work, such as highway and bridge painting and deck replacement. Some states also reported targeting funds toward projects with an emphasis on job creation and consideration of economically distressed areas. For example, Colorado Department of Transportation officials are emphasizing construction projects, such as highway bridge replacements, rather than projects in planning or design phases, in order to maximize job creation. The Illinois Department of Transportation reported that it is planning to spend a large share of its estimated $655 million in Recovery Act funds for highway and bridge projects in economically distressed areas.

States are modifying systems to track Recovery Act funds but are concerned about tracking funds distributed directly to nonstate entities. Officials from all 16 of the states which GAO is reviewing and the District of Columbia stated that they have established or are establishing ways to identify, monitor, track, and report on the use of the Recovery Act funds. However, officials from many of these states and the District of Columbia have concerns about the ability of subrecipients, localities, and other non-state entities to separately monitor, track, and report on the Recovery Act funds these nonstate entities receive. Officials in several states also expressed concern about being held accountable for funds flowing directly to localities or other recipients and indicated that either their states would not be tracking Recovery Act funds going to the local levels or that they were unsure how much data would be available on the use of these funds. Our April 23rd report recommended that the OMB evaluate current reporting requirements before adding further data collection requirements.

States vary in their responses to determining how to assess the impact of Recovery Act funds. For programs such as the Federal-aid Highway Surface Transportation Program, some states will use existing federal program guidance or performance measures to evaluate impact. However, a number of states have expressed concerns about definitions of "jobs retained" and "jobs created" under the act, as well as methodologies that can be used for the estimation of each. Given these concerns, GAO recommended in its first bimonthly report that the OMB continue to identify methodologies that can be used to determine jobs retained and created from projects funded by the Recovery Act.

Mr. Chairman and Members of the Committee:

I am pleased to be here today to discuss GAO's work related to the American Recovery and Reinvestment Act of 2009 (Recovery Act). Congress and the administration have fashioned a significant response to what is generally reported to be the nation's most serious economic crisis since the Great Depression. The Recovery Act's combined spending and tax provisions are estimated to cost $787 billion, including more than $48 billion in additional spending at the Department of Transportation (DOT) for investments in transportation infrastructure, including highways, passenger rail, and transit.

The Recovery Act directs GAO to conduct bimonthly reviews on the use of funds by selected states and localities, among other things. We have recently completed the first review, which examined a core group of 16 states, the District of Columbia, and selected localities.[1] We expect to track the activities of these 16 states and the District of Columbia over the next few years to provide an ongoing longitudinal analysis of the use of Recovery Act funds.

My statement today is based on our recently completed work in this area and provides a general overview of (1) the selected states' use of Recovery Act funds primarily for highway programs, (2) the approaches taken by these states to ensure accountability for these funds, and (3) the selected states' plans to evaluate the impact of the Recovery Act funds that they receive for highway programs. We also discuss other Recovery Act assessments that we plan to undertake or are already conducting and that fall within the Committee's interests. We conducted a performance audit for our first bimonthly review from February 17, 2009, to April 20, 2009, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient,

[1]GAO, *Recovery Act: As Initial Implementation Unfolds in States and Localities, Continued Attention to Accountability Issues Is Essential*, GAO-09-580 (Washington, D.C.: Apr. 23, 2009). The 16 states are Arizona, California, Colorado, Florida, Georgia, Iowa, Illinois, Massachusetts, Michigan, Mississippi, New Jersey, New York, North Carolina, Ohio, Pennsylvania, and Texas We selected these states on the basis of outlay projections, percentage of the U.S. population represented, unemployment rates and changes, and a mix of states' poverty levels, geographic coverage, and representation of both urban and rural areas. These 16 states and the District of Columbia represent about 65 percent of the U.S. population and two-thirds of the intergovernmental federal assistance available through the Recovery Act. In addition, we visited a non-probability sample of about 60 localities within the 16 selected states. See GAO-09-580 for a list of these localities.

appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

The vast majority of Recovery Act funding for transportation programs goes to the Federal Highway Administration (FHWA), the Federal Railroad Administration, and the Federal Transit Administration for the construction, rehabilitation, or repair of highway, road, bridge, transit, and rail projects. The remaining funds are allocated among other DOT administrations. Over half of these funds are for highway infrastructure investments. (See table 1).

Table 1: 2009 Recovery Act Funds Provided to the Department of Transportation

Dollars in billions

Area	Uses	Amount
Highway	Capital assistance to states and localities to restore, repair, and construct highways and passenger and freight rail transportation and port infrastructure	$27.5
Intercity passenger rail	Capital assistance for high-speed rail, intercity passenger rail, and Amtrak	9.3
Transit	Capital assistance for transit projects	8.4
Supplemental discretionary awards[a]	Capital assistance to states and localities for capital improvements in surface transportation infrastructure	1.5
Aviation	Capital assistance to airports for improvements and for Federal Aviation Administration facilities and equipment	1.3
Maritime	Capital assistance to small shipyards	0.1
Total		**$48.1**

Source: GAO summary of information in the Recovery Act.

[a]These funds are for investments in surface transportation infrastructure in addition to other amounts in the table. The funds are to be awarded competitively for highway, bridge, public transportation, passenger and freight rail, and port infrastructure projects.

Of the $27.5 billion provided for highway and related infrastructure investments, $26.7 billion is provided to the states for restoration, repair, construction, and other activities allowed under FHWA's Surface Transportation Program and for other eligible surface transportation projects, which apportions money to states for construction and preventive maintenance of eligible highways and for other surface transportation projects. The Act requires that 30 percent of these funds be suballocated to metropolitan and other areas.

The Recovery Act generally requires that funds be invested in projects that can be started and completed expeditiously and identifies several specific deadlines for investing funds provided through several transportation programs. For example, 50 percent of state-administered Federal-aid Highway formula funds (excluding suballocated funds) must be obligated[2] within 120 days of apportionment (apportioned on March 2) and all must be obligated within 1 year of apportionment.

Although highway funds are being apportioned to states and localities through existing mechanisms, Recovery Act funding for highway infrastructure investment differs from the usual practice in the Federal-aid Highway Program in a few important ways. Most significantly, for projects funded under the Recovery Act, the federal share is up to 100 percent while the federal share under the Federal-aid Highway Program is usually 80 percent. Priority is also to be given to projects that are projected to be completed within 3 years and are within economically distressed areas.[3] Furthermore, the governor must certify that the state will maintain its current level of transportation spending with regard to state funding (called maintenance of effort), and the governor or other appropriate chief executive must certify that the state or local government to which funds have been made available has completed all necessary legal reviews and determined that the projects are an appropriate use of taxpayer funds. Any amount of the funding that was apportioned on March 2 and is not obligated within deadlines established by the Act (excluding suballocated funds) will be withdrawn by DOT and redistributed to other states that have obligated their funds in a timely manner.

Both the President and Congress have emphasized the need for accountability, efficiency, and transparency in the allocation and expenditure of Recovery Act funds. Accordingly, the Office of Management and Budget (OMB) has called on federal agencies to (1)

[2]For Federal-aid Highway projects, FHWA has interpreted the term obligation of funds to mean the federal government's contractual commitment to pay for the federal share of a project. This commitment occurs at the time the federal government approves a project agreement and the project agreement is executed.

[3]Economically distressed areas are defined in the Public Works and Economic Development Act of 1965, as amended.

award and distribute funds in a timely and fair manner, (2) ensure the funding recipients and uses are transparent, and the resulting benefits are clearly and accurately reported, (3) ensure funds are used for authorized purposes, (4) avoid unnecessary project delays and cost overruns, and (5) achieve specific program outcomes and improve the economy.[4] For transportation programs,[5] DOT is required to report on the number of direct and indirect jobs created or sustained by the Act's funds for each program and to the extent possible estimate of the number of indirect jobs created or sustained[6] by project or activity in the associated supplying industries, including the number of job-years created and the total increase in employment since the date of enactment of this Act.

In order to coordinate DOT's efforts and help ensure accountability and transparency, DOT established a team of senior officials across the department—the Transportation Investment Generating Economic Recovery (TIGER) team. According to DOT, this leadership team will coordinate consistent implementation of the Act, exchange information, provide guidance, and track transportation dollars spent. DOT established individual stewardship groups as part of the TIGER team to gather expertise from across the department to address common issues and identify coordinated and appropriate actions. According to DOT, these groups include financial stewardship, data collection, procurement and grant management, job measurement, information technology and communication, and accountability. The accountability stewardship group meets biweekly with the department's Office of the Inspector General and us to improve transparency and provide an efficient forum for sharing information between management and the auditing entities.

[4]See OMB memoranda, M-09-10, *Initial Implementing Guidance for the American Recovery and Reinvestment Act of 2009*, February 18, 2009, and M-09-15, *Updated Implementing Guidance for the American Recovery and Reinvestment Act of 2009*, April 3, 2009.

[5]DOT is also required under Section 1512(d) of the Recovery Act to make quarterly reports publicly available that would include an estimate from the grant recipient of the number of jobs created and the number of jobs retained by the project or activity. This requirement applies to all Recovery Act funds.

[6]Although not defined in the Act, indirect jobs are jobs created as a result of demand for goods and services generated by direct funding from the Recovery Act. For example, a contractor on a Recovery Act highway project may purchase a new truck, leading to additional jobs in the truck industry.

States Are Using Existing Plans to Identify Transportation Projects and Described Considering Recovery Act Requirements in Selecting Projects

As of April 16, DOT reported that nationally $6.4 billion in Recovery Act highway infrastructure investment funding apportioned to the states had been obligated—meaning that DOT and the states had executed agreements on projects worth this amount. For the locations that we reviewed, approximately $3.3 billion in highway funding has been obligated with the percent of apportioned funds obligated to the states and the District of Columbia, ranging from 0 to 65 percent. (See table 2.) For two of the states, DOT had obligated over 50 percent of the states' apportioned funds, for four states it had obligated 30 to 50 percent of the funds, for eight states it had obligated fewer than 30 percent of the funds, and for three states it had not obligated any funds.

Table 2: Highway Apportionments and Obligations as of April 16, 2009

Dollars in millions

State	Amount apportioned	Amount obligated	Percent of apportionment obligated	Number of projects
Arizona	$522	$148	28	26
California	2,570	261	10	20
Colorado	404	118	29	19
District of Columbia	124	37	30	1
Florida	1,347	0	0	0
Georgia	932	0	0	0
Illinois	936	606	65	214
Iowa	358	221	62	107
Massachusetts	425	64	15	19
Michigan	847	111	13	27
Mississippi	355	137	39	32
New Jersey	652	281	43	12
New York	1,121	277	25	108
North Carolina	736	165	22	53
Ohio	936	0	0	0
Pennsylvania	1,026	309	30	108
Texas	2,250	534	24	159
Total	**$15,538**	**$3,269**	**21**	**905**

Source: FHWA.

Note: Totals may not add due to rounding.

Most states we visited, while they had not yet expended significant funds, were planning to solicit bids in April or May. They also stated that they planned to meet statutory deadlines for obligating the highway funds. A few states had already executed contracts. As of April 1, the Mississippi Department of Transportation, for example, had signed contracts for 10 projects totaling approximately $77 million.[7] These projects include the expansion of State Route 19 in eastern Mississippi into a four-lane highway. This project fulfills part of the state's 1987 Four-Lane Highway Program which seeks to link every Mississippian to a four-lane highway within 30 miles or 30 minutes. Most often however, we found that highway funds in the states and the District of Columbia have not yet been spent because highway projects were at earlier stages of planning, approval, and competitive contracting. For example, the Florida Department of Transportation plans to use the Recovery Act funds to accelerate road construction programs in its preexisting 5-year plan. This resulted in some projects being reprioritized and selected for earlier completion. On April 15, the Florida Legislative Budget Commission approved the Recovery Act-funded projects that the Florida Department of Transportation had submitted.

As required by the Act, states have used existing planning processes and plans to quickly identify and obligate funds for projects. For example, as of April 16, FHWA had obligated $261 million of Recovery Act transportation funding for 20 projects from California's State Highway Operation and Protection Program. These projects involve rehabilitating roadways, pavement, and rest areas as well as upgrading median barriers and guardrails. Some states reported that the use of existing plans has enabled them to quickly distribute transportation funds. As of April 16, FHWA had obligated about $277million to New York state for 108 transportation projects. Officials reported that the state was able to move quickly on these projects largely because New York State Department of Transportation, as required by federal surface transportation legislation, has a planning mechanism that routinely identifies needed transportation projects and performs preconstruction activities, such as completing environmental permitting requirements.

Selected states reported that they targeted transportation projects that can be started and completed expeditiously, in accordance with Recovery Act requirements. Several selected states have generally focused on initiating preventive maintenance projects, because these projects require less environmental review or design work and can be started quickly. For

[7] As of April 16, FHWA had obligated $137 million for 32 Mississippi projects.

example, the New Jersey Department of Transportation selected 40 projects and concentrated mainly on replacement projects that require little environmental clearance or extensive design work, such as highway and bridge painting and deck replacement. Officials from the New York State Department of Transportation reported that they will target most Recovery Act transportation funds to infrastructure rehabilitation, including preventive maintenance and reconstruction, such as bridge repairs and replacement, drainage improvement, repaving, and roadway construction. State officials emphasized that these projects extend the life of infrastructure and can be contracted for and completed relatively easily within the 3-year time frame required by the Act. The state will also target some Recovery Act highway dollars to more typical "shovel ready" highway construction projects for which there were previously insufficient funds.

Some states also reported targeting funds toward projects with an emphasis on job creation and consideration of economically distressed areas. For example, the North Carolina Department of Transportation plans to award 70 highway and bridge stimulus projects between March and June, which are estimated to cost $466 million (of an expected $735 million). According to North Carolina Department of Transportation officials, these projects were identified based on Recovery Act criteria that priority be given to projects that are expected to be completed within 3 years and are located in economically distressed areas, among other factors.[8] According to Colorado Department of Transportation officials, they are emphasizing construction projects rather than projects in planning or design phases, in order to maximize job creation. These projects include resurfacing and highway bridge replacements in the Denver metropolitan area, as well as improvements to mountain highways. The Illinois Department of Transportation reported that it is planning to spend a large share of its estimated $655 million in Recovery Act funds for highway and bridge projects in economically distressed areas.[9] In March 2009, FHWA directed its field offices to ensure that states give adequate consideration to economically distressed areas in selecting projects. Specifically, field offices were directed to discuss this issue with the states and to document FHWA oversight. We plan to review states' consideration

[8]The North Carolina Department of Transportation considered other factors, including alignment with long-range investment plans, geographical diversity, and economic impact.

[9]According to FHWA, Illinois' share of Recovery Act funds for highway infrastructure investment is approximately $936 million. This total consists of $655 million for IDOT projects and $281 million in sub-allocations for local governments' highway projects.

of economically distressed areas and FHWA's oversight in our subsequent reports on the Recovery Act.

Several of the locations that we are reviewing have submitted certifications that they have maintained their level of state funding of projects (maintenance-of-effort certifications) with explanations or conditions attached. Seven states and the District of Columbia submitted "explanatory" certifications—certifications that used language that articulated assumptions or stated the certification was based on the best information available at the time.[10] Six states submitted "conditional" certifications because their certifications were subject to conditions or assumptions, future legislative action, future revenues, or other conditions.[11] The remaining three states—Arizona, Michigan, and New York—submitted certifications free of explanatory or conditional language. On April 22, DOT informed governors that the Recovery Act does not authorize the use of conditional or qualified certifications. The Secretary of Transportation provided the states the opportunity to amend their maintenance-of-effort certifications by May 22, 2009, as needed. In future bimonthly reports, we expect to report on FHWA's oversight of states' efforts to comply with the maintenance of effort requirements and why states indicated that they believe that conditions in their states may change such that they may not be able to maintain their levels of effort.

[10]The states are California, Colorado, Illinois, Mississippi, New Jersey, Pennsylvania, and Texas.

[11]These states are Florida, Georgia, Iowa, Massachusetts, North Carolina, and Ohio.

States Are Modifying Systems to Track Recovery Act Funds but Are Concerned about Tracking Funds Distributed Directly to Nonstate Entities

States' and localities' tracking and accounting systems are critical to the proper execution and accurate and timely recording of transactions associated with the Recovery Act.[12] Officials from all 16 states and the District of Columbia told us they have established or are establishing methods and processes to separately identify (i.e., tag), monitor, track, and report on the use of the Recovery Act funds they receive. The states and localities generally plan on using their current accounting systems for recording Recovery Act funds, but many are adding identifiers to account codes to track Recovery Act funds separately. Many said this involved adding digits to the end of existing accounting codes for federal programs. In California, for instance, officials told us that while their plans for tracking, control, and oversight are still evolving, they intend to rely on existing accountability mechanisms and accounting systems, enhanced with newly created codes, to separately track and monitor Recovery Act funds that are received by and pass through the state. The Pennsylvania Department of Transportation issued an administrative circular in March 2009 that established specific Recovery Act program codes to track highway and bridge construction spending, including four new account codes for Recovery Act fund reimbursements to local governments. Several officials told us that the state's accounting system should be able to track Recovery Act funds separately.

State officials reported a range of concerns on the federal requirements to identify and track Recovery Act funds going to subrecipients, localities and other non-state entities. These concerns include their inability to track these funds with existing systems, uncertainty regarding state officials' accountability for the use of funds which do not pass through state government entities, and their desire for additional federal guidance to establish specific expectations on sub-recipient reporting requirements. Additionally, FHWA has identified eight major risks in implementing the Recovery Act, including states' oversight of local public agencies and these agencies' lack of experience in handling federal-aid projects. Officials from many of the 16 selected states and the District of Columbia told us that they had concerns about the ability of subrecipients, localities, and other nonstate entities to separately tag, monitor, track, and report on the

[12]OMB has issued guidance to the states and localities that provides for separate "tagging" of Recovery Act funds so that specific reports can be created and transactions can be traced.

Recovery Act funds they receive.[13] Given that governors have certified the use of funds in their states, officials in many states also expressed concern about being held accountable for funds flowing directly from federal agencies to localities or other recipients. For example, officials in Colorado expressed concern that they will be held accountable for all Recovery Act funds flowing to the state, including those flowing directly to nonstate entities, such as transportation districts, for which they do not have oversight or information about. Officials in several states indicated that either their states would not be tracking Recovery Act funds going to the local levels or that they were unsure how much data would be available on the use of these funds. For example, Pennsylvania officials said that the state will rely on subrecipients to meet reporting requirements at the local level. Recipients and subrecipients can be local governments or other entities such as transit agencies. For example, about $367 million in Recovery Act money for transit capital assistance and fixed guideway (such as commuter rails and trolleys) modernization was apportioned directly to areas such as Philadelphia, Pittsburgh, and Allentown. State officials also told us that the state would not track or report Recovery Act funds that go straight from the federal government to localities and other entities.[14] We will discuss these issues with local governments and transit entities as we conduct further work.

OMB and FHWA continue to develop guidance and communication strategies for Recovery Act implementation as it relates to non-state recipients. To mitigate risks, such as local public agencies' lack of experience in handling federal-aid projects, FHWA outlined eight mitigation strategies, including (1) providing Recovery Act guidance and monitoring strategies for risk areas, such as sub-recipient guidance and checklists to assist local monitoring and oversight, and (2) sharing risks through agreement and contract modifications to help ensure oversight and reporting of funds. To foster efficient and timely communications, in our first bimonthly report on the Recovery Act, we recommended that OMB develop an approach that provides dependable notification to (1) prime recipients in states and localities when funds are made available for

[13]Currently, each state can choose how it will hold state agencies accountable even though OMB makes clear that in all cases, "...Federal agencies should expect the State to assign a responsible office to oversee recipient data collection to ensure quality, completeness, and timeliness...." For programs and funding that bypass state agencies, the guidance states that "[it] does not create any specific role or expectation for States...."

[14]If localities or other entities are grant recipients under the Act they are required under Section 1201(c) to report on the use of the funds.

their use, (2) states, where the state is not the primary recipient of funds, but has a statewide interest in this information, and (3) all non-federal recipients, on planned releases of federal agency guidance and, if known, whether additional guidance or modifications are expected.

Some states also expressed concerns about the Recovery Act reporting requirements. State officials and others are uncertain about the ability of reporting systems to roll up data from multiple sources and synchronize state level reporting with *Recovery.gov.*[15] Some officials are concerned that too many federal requirements will slow distribution and use of funds and others have expressed reservations about the capacity of smaller jurisdictions and nonprofit organizations to report data. Even those who are confident about their own systems are uncertain about the cost and speed of making any required modifications needed for *Recovery.gov* reporting or any further data collection requirements. Some state transportation agencies also noted concerns about the burden and redundancy of Recovery Act reporting, including reporting for the state, DOT and its modal offices, and Congress. In response to states' concerns about Recovery Act reporting requirements, in our first bimonthly report we recommended that OMB, in consultation with the Recovery Accountability and Transparency Board and states, evaluate current information and data collection requirements to determine whether sufficient, reliable, and timely information is being collected before adding further data collection requirements. We also recommended that OMB consider the cost and burden of additional reporting on states and localities against expected benefits.

[15]As required by the Recovery Act, *Recovery.gov* was established to foster greater accountability and transparency in the use of Recovery Act funds. The Web site currently includes overview information about the Recovery Act and a timeline for implementation, among other things, but the administration plans to develop the site to encompass information about available funding, distribution of funds, and major recipients. The Web site is required to include plans from federal agencies; information on federal awards of formula grants and awards of competitive grants; and information on federal allocations for mandatory and other entitlement programs by state, county, or other appropriate geographical unit. Eventually, prime recipients of Recovery Act funding will provide information on how they are using their federal funds.

States' Plans to Assess Impact of Recovery Act Funds Are in the Initial Stages

States vary in how they plan to assess the impact of Recovery Act funds. Some states will use existing federal program guidance or performance measures to evaluate impact, particularly for ongoing programs, such as FHWA's Surface Transportation Program. Other states are waiting for additional guidance on how and what to measure to assess impact. Some states indicated that they have not determined how they will assess impact.

A number of states have expressed concerns about definitions of jobs created and jobs retained under the Act, as well as methodologies that can be used for the estimation of each.[16] Officials from several of the states we met with expressed a need for clearer definitions of "jobs retained" and "jobs created." Officials from a few states expressed the need for clarification on how to track indirect jobs, while others expressed concern about how to measure the impact of funding that is not designed to create jobs.

Some of the questions that states and localities have raised about the Recovery Act implementation may have been answered in part via the guidance provided by OMB for the data elements, as well as by guidance issued by federal departments. For example, OMB provided draft definitions for employment, as well as for jobs retained and jobs created via Recovery Act funding. However, OMB did not specify methodologies such as some states have sought for estimating jobs retained and jobs created. Data elements were presented in the form of templates with section-by-section data requirements and instructions. OMB provided a comment period during which it is likely to receive many questions and requests for clarification from states, localities, and other entities that can directly receive Recovery Act funding. OMB plans to update this guidance again in the next 30 to 60 days. Given questions raised by many state and local officials about how best to determine both direct and indirect jobs created and retained under the Recovery Act, we recommended in our first bimonthly report that OMB continue its efforts to identify appropriate methodologies that can be used to assess jobs created and retained from projects funded by the Recovery Act, determine the Recovery Act spending when job creation is indirect, and identify those types of programs, projects, or activities that in the past have demonstrated substantial job creation or are considered likely to do so in the future.

[16]The Recovery Act requires that recipients of funds report on several things, including the number of direct jobs created and retained.

Some states are also pursuing a number of different approaches for measuring the effects of Recovery Act funding for transportation projects. For example, the Iowa Department of Transportation tracks the number of worker hours by highway project based on contractor reports and will use these reports to estimate jobs created. New Jersey Transit is using an academic study that examined job creation from transportation investment to estimate the number of jobs that are created by contractors on its Recovery Act-funded construction projects.[17] In addition, Mississippi hired a contractor to conduct an economic impact analysis of transportation projects.

Other Recovery Act Initiatives

As previously mentioned, we will be reporting further on states' and localities' use of Recovery Act funds, including maintenance of effort and projects in economically distressed areas. In addition, we plan to undertake or are already conducting these other assessments of Recovery Act activities that fall within the Committee's interests:

- *Supplementary discretionary grants*: The Act provides $1.5 billion to be awarded competitively to state and local governments and transit agencies for surface transportation projects that will have a significant impact on the nation, a metropolitan area, or a region. This is a new program and the Act requires that DOT publish its grant selection criteria by mid-May. We expect to assess how DOT developed its criteria and plan to report several weeks after the criteria are published.
- *High-speed rail*: The Act provides about $8 billion for projects that support intercity high-speed rail service. This is also a new program. Our work will likely focus on assessing how DOT is developing a program that will increase the chances of viable high-speed rail projects, consistent with recommendations we recently made on the development of high-speed rail.[18] We expect to start this work later this year.

[17]The study estimated that for every $1 million of transportation infrastructure investment, 11 jobs are created, 70 percent of them are directly related to the investment, and 30 percent are indirectly related. (Rutgers University Edward J. Bloustein School of Planning and Public Policy, "Economic Impacts of Planned Transportation Investments in New Jersey" Camden, New Jersey, April 2008.)

[18]GAO, *High Speed Passenger Rail: Future Development Will Depend on Addressing Financial and Other Challenges and Establishing a Clear Federal Role*, GAO-09-317 (Washington, D.C.: Mar. 19, 2009).

- *Federal buildings*: The Act provides about \$5.6 billion for the General Services Administration (GSA) to spend on projects related to its federal buildings, primarily to convert existing buildings to high-performance green buildings.[19] As a part of our ongoing work to report on agencies' implementation of the Energy Independence and Security Act of 2007, which among other things calls for agencies to increase the energy efficiency and the availability of renewable energy in federal buildings, we plan to assess the impact of Recovery Act funding on GSA's ability to meet the 2007 energy act's high-performance federal building requirements. In addition, in coordination with GSA's Office of Inspector General, this summer, we plan to review GSA's conversion of existing federal buildings to high-performance green buildings.

We will work with this Committee as we begin work in these areas and in other areas in which the Committee might be interested.

Mr. Chairman, this concludes my prepared statement. I would be pleased to respond to any questions that you or other Members of the Committee might have.

Contact and Acknowledgments

For further information regarding this statement, please contact Katherine Siggerud at (202) 512-2834 or siggerudk@gao.gov. Contact points for our Congressional Relations and Public Affairs offices may be found on the last page of this statement. Individuals who made key contributions to this statement are Daniel Cain, Steven Cohen, Heather Krause, Heather Macleod, and James Ratzenberger.

[19]The act provides \$4.5 billion for green buildings, \$750 million for federal buildings and courthouses, and \$300 million for border stations and land ports of entry. GSA has developed a spending plan that includes over 250 projects ranging from small projects designed to increase energy efficiency and estimated to cost less than \$200,000 to projects designed to fully modernize buildings estimated to cost up to about \$226 million.

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TESTIMONY

OF

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BEFORE THE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

WEDNESDAY, APRIL 29, 2009
11:00 A.M.
2167 RAYBURN HOUSE OFFICE BUILDING

Good morning, Mr. Chairman, my name is D.J. Stadtler, and I am here to testify today in my capacity as Chief Financial Officer of Amtrak, and as the officer responsible for the disbursement of stimulus funding. Because of a long-scheduled series of meetings with our employees on the West Coast, Mr. Boardman will be unable to attend, but he has asked me to express his regrets, and his appreciation for the support we have received from you and from the Committee over the course of a very remarkable and exciting year.

To start with, I would like to emphasize that Amtrak supports the goals and prioritization criteria set forth in the ARRA, and we are working hard to comply with the intent of the law, as well as all applicable Federal procurement regulations. The ARRA specified five goals:

- Preserve and create jobs and promote economic recovery
- Assist those impacted by the recession
- Provide investments needed to increase economic efficiency by spurring technological advances in science and health
- Invest in transportation infrastructure
- Stabilize state and local government budgets to avoid reductions in essential services

I am pleased to say that Amtrak's program of investment advances these goals. Even before the bill passed, Amtrak had assembled a team of executives to assess, rate, and rank the projects that were candidates for funding. Amtrak wanted to be ready to start work as soon as the bill passed, and we worked very hard to make sure that we identified the right projects, and that they were ready to go. And I think we have been very successful; we will break ground on one of our major projects, the reconstruction of Wilmington station, on May 4; the Sanford station groundbreaking will follow soon. We estimate that the $1.3 billion program of investment in infrastructure and security and life safety projects will create about 4,600 jobs in the first year alone, while generating a considerably larger number of full time equivalents over the duration of the investment program, which will conclude on February 17, 2011.

This grant represents a significant investment in Amtrak's infrastructure. As you know, our annual capital program has been regularly underfunded, and Amtrak's Northeast Corridor in particular faces a backlog of more than $5 billion worth of capital projects. The ARRA will allow us to undertake a number of much-needed projects on the Corridor, such as the replacement of the hundred and two year old Niantic River bridge, several fixed bridges, and the renovation of the Wilmington station. These investments will help us to address this backlog now, instead of years from now. We will also be undertaking major improvements at our maintenance facilities, both on and off the Corridor, and we will be returning both long distance and corridor equipment to service. The Act requires us to spend no more than sixty percent of the stimulus money on NEC-related projects; we currently project that we will spend fifty-two percent of the funding on the NEC, and the remaining forty-eight percent on the rest of the national network. The off-NEC investment program will fund some important improvements - more than $46 million on the improvement of stations throughout the national system.

This investment program is already underway. Amtrak has already awarded two major contracts for the abovementioned Sanford and Wilmington station projects, of which about $25 million is stimulus funding. We expect to spend significantly larger sums in coming months as our effort "ramps up." Throughout this process, we have been mindful of the stringent deadline of February, 2011, and we are working hard to get the contracts out for bid. By the end of May, we will have awarded about $35 million worth of project funding.

To facilitate and expedite the process, we are funding a disbursement program that will bring in regional project managers who will be charged with the organization and oversight of design-build implementation projects. The process is well underway, and they should be in place in about six weeks. They will be responsible for expediting more than $700 million worth of projects, and will allow our procurement organization to focus on the more difficult and complex projects we will also be undertaking.

We have an opportunity to administer a tremendous program of capital investment, and an opportunity to change the way we do business. We are deeply aware of the need for a program that is transparent, compliant, and effective. We will be using the DOT's automated "Tiger Collector" for the required periodic reporting, and we are partnering with the FRA to ensure that we work together to meet the reporting requirements. Both the Act and Amtrak's Grant Agreement with the FRA call for open competition, and we are dedicated to ensuring that there is a full and open competition for these contracts, and to building Amtrak's reputation for fairness, credibility, and integrity. I am thoroughly familiar with these requirements, having been involved with the Federal grant process during my tenure at the Department of Transportation. We will also build relationships with a range of new vendors, who can in turn build on the experience of working with us to provide the contracting and engineering expertise that's going to be needed to realize the larger program of intercity rail investment. Amtrak has hosted numerous business forums for a range of potential contractors, among them minority-owned business entities, disadvantaged business entities, businesses owned by women, and small businesses. I attended two of these events, which were aimed at contractors who could perform construction, security, ADA compliance, information technology and mechanical work. These forums provided over 300 contractors an opportunity to meet with us, learn about our contracting processes and our requirements, and facilitate future business contacts.

This is going to be important, because we are using all of the available means to get information to the public about these opportunities. Within thirty days of enactment, a complete list of projects was posted on our website. As each new project becomes available for competitive bidding, we post it online, and I'm pleased to say that our stakeholders have expressed their support for this process. We are adding a page to the website in the very near future that will highlight the opportunities that are available for small, disadvantaged and veteran-owned businesses.

I want to close by expressing our appreciation for the support we have had from this Committee, from you, Mr. Oberstar, your staff, and the FRA throughout this complex and vital process. We look forward to working with you in the coming months, and I hope we can continue to maintain and build the ongoing dialogue and discussion on the status of our program as it unfolds. I look forward to working with you on this, and I will be happy to answer any questions you might have.

STATEMENT FOR THE RECORD
FEDERAL EMERGENCY MANAGEMENT AGENCY
DEPARTMENT OF HOMELAND SECURITY
BEFORE THE
HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
U.S. HOUSE OF REPRESENTATIVES
PROGRESS ON IMPLEMENTATION OF
THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009
WEDNESDAY, APRIL 29, 2009

Thank you for the opportunity to submit this statement for the record regarding Fire Station Construction monies appropriated in the American Recovery and Reinvestment Act of 2009.

With the President's signing of the American Recovery and Reinvestment Act (ARRA) on February 17, 2009, billions of dollars in federal funds were made available to re-employ and re-build America. As you are aware, funds made available under the ARRA have five distinct purposes. These are to:

(1) Preserve and create jobs and promote economic recovery.
(2) Assist those most impacted by the recession.
(3) Provide investments needed to increase economic efficiency by spurring technological advances in science and health.
(4) Invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits.
(5) Stabilize State and local government budgets, in order to minimize and avoid reductions in essential services and counterproductive state and local tax increases.

How successful we are in implementing ARRA will be measured by how well we meet those five goals.

Title VI of the Act, provided additional funding to the Federal Emergency Management Agency (FEMA) to re-invest in America and to re-employ Americans. Among that funding is $510,000,000

Statement of C.W. "Bill" Ruth
United States Commissioner

International Boundary and Water Commission
United States and Mexico

Before the Committee on Transportation and Infrastructure
U.S. House of Representatives
April 29, 2009

Chairman Oberstar, Ranking Member Mica, and Members of the Committee, thank you for the opportunity to outline the progress made by the U.S. Section of the International Boundary and Water Commission (USIBWC) in implementing the American Recovery and Reinvestment Act of 2009 (Recovery Act). On February 17, 2009, President Barack Obama signed the Recovery Act into law. The Recovery Act is an unprecedented effort to jumpstart the economy, create or save millions of jobs, and improve infrastructure that will provide long-term economic benefits. The Recovery Act is an extraordinary response to a crisis unlike any since the Great Depression. With this in mind, I have made implementing the Recovery Act the number one priority of the USIBWC and I am committed to undertaking all actions necessary to move forward quickly, efficiently and with an unprecedented level of transparency and accountability.

The Recovery Act appropriated $220 million to USIBWC's construction account for the Rio Grande Flood Control project to fund immediate infrastructure upgrades along 506 miles of flood control levees maintained by the USIBWC along the Upper and Lower Rio Grande. Of that amount, up to $2 million may be transferred to our salaries and expenses account in support of this activity.

Much of this levee system was originally constructed in the 1930s and 1940s as part of a bi-national flood control effort undertaken with Mexico in order to preserve the Rio Grande as the international boundary between the two countries and to protect lives and property of U.S. and Mexican residents on both sides of the river. The U.S. and Mexican Sections of the IBWC are responsible for the maintenance of the levees and floodways along the international reach of the Rio Grande that are located in their respective territory. Major improvements to the Lower Rio Grande Flood Control Project were undertaken by both countries in the 1970s after a 1967 hurricane revealed the need for enhanced flood protection. Between 1938 and 1943, the USIBWC also constructed and now maintains the levee system in the Rio Grande Canalization Project located in Texas and New Mexico upstream from the international boundary. This project facilitates the delivery of Rio Grande water to Mexico in accordance with a 1906 Convention, provides protection of lands along the project from floods, and regulates and controls the water supply for use in the United States and Mexico.

In 2002, the USIBWC began a multi-year project to rehabilitate deficiencies in the levee system, which constrains movement of the international boundary and provides flood protection to many New Mexico and Texas cities including Las Cruces, El Paso, Presidio, Mission, McAllen, Harlingen, and Brownsville. Levee segments lacking adequate height or that may be structurally deficient are being rebuilt in order of priority by risk to population, property and economic development. Through 2008 the USIBWC received $34.795 million for this flood control improvement effort through annual funding provided through the Department of State Foreign Operations and Related Programs Appropriation Acts. An additional $37.5 million was appropriated for emergency repair and rehabilitation of the flood control system in the Disaster Relief and Recovery Supplemental Appropriations Act, 2008, after heavy flooding damaged U.S. levees in Presidio, Texas.

Approximately one million U.S. residents live in the Lower Rio Grande Valley. Due to its proximity to the Gulf of Mexico and related tropical weather systems, the Lower Rio Grande Valley is prone to hurricanes and annual flood events. Without needed repairs to the levee and flood-protection system, parts of the Rio Grande Valley face catastrophic damage should a major storm hit that area.

Likewise in the Upper Rio Grande approximately one million residents of New Mexico and Texas live in communities protected by USIBWC levees. El Paso, Texas and its sister-city of Ciudad Juarez, Chihuahua, Mexico form a bi-national metropolitan area of almost two and a half million residents, making this the second-largest bi-national metropolitan area on the U.S.-Mexico border. In the summer of 2006 this area experienced a major flood, which reinforced the need to raise levees in El Paso County to meet minimum height requirements established be FEMA.

The Recovery Act funding will afford the USIBWC the opportunity to accomplish in less than two years a large percentage of the levee rehabilitation work that had been previously been projected to take 20 years to complete. In doing so, we will enhance the protection of lives and property of almost three million U.S. border residents and achieve certification standards established by the Federal Emergency Management Agency (FEMA), thereby negating the need for residents to purchase costly flood insurance.

This project will stimulate the economy, create and save jobs, and lay the foundation for future economic growth and development due to the higher level of flood control protection that we will be able to provide. Reducing the risk of flooding along the Upper and Lower Rio Grande by rehabilitating deficient portions of these levee systems will provide increased safety to border residents and to business communities. We have estimated that pre-construction and construction activities could create or save over 700 jobs, but suspect that figure could go much higher once construction begins in earnest.

I have worked with my senior managers to develop a comprehensive plan and an aggressive schedule for Recovery Act implementation, designed to fully obligate the Recovery Act funding no later than September 2010. We have prioritized levee segments in the Upper and Lower Rio Grande Valley for Recovery Act funding based upon greatest impact to the largest number of residents, the greatest economic benefit and the segments ready for FEMA certification. We undertook recruitment actions and hired additional term contract specialists and engineers. We have also developed five outcome and output measures to help monitor and report on the progress made to meet milestones and complete planned actions.

To date, we have met our scheduled milestones and expect to continue to do so until the construction phase is completed. Using Recovery Act funding, we initiated the procurement phase in March 2009. Within a month, we had issued 83% of the pre-construction contracts for outstanding environmental work, geo-technical analysis and design for 19 of 23 levee segments to undergo rehabilitation with Recovery Act funding. As of May 8, we have obligated over $7 million and committed to award contracts valued at close to $16 million. We have already created or saved 365 jobs in the pre-construction phase of our project. All geo-technical analysis and design and the remaining environmental documentation will be completed by October 2009. We anticipate that construction will begin this fall, that all construction contracts will be awarded by the end of December 2009, and that all planned construction to be undertaken with Recovery Act funding will be completed by February 2011.

USIBWC is working closely with the Department of State's Recovery Act Coordinator and other Department offices, including the Office of the Inspector General (OIG), to ensure compliance with the provisions of the Recovery Act, guidance issued by the Office of Management and Budget, and the President's Memorandum of March 20 that calls for merit-based decision-making. I have directed that USIBWC implement the Recovery Act with unparalleled transparency and full accountability to the American people.

To be fully transparent, USIBWC's progress is being reported weekly on the Recovery web site and on the Department of State Recovery web site. Additional details on the scope of our project and our project schedule can be located at http://www.ibwc.state.gov/Recovery/Index.html. All contracting actions will be posted on http://www.fedbizops.com and will be reported in the Federal Procurement Data System.

In order to ensure risk management and program integrity, USIBWC intends to monitor project work on a daily basis to ensure that performance, cost, and schedule goals are being met in accordance with the terms and conditions of the contracts. We will conduct frequent quality assurance inspections, submit progress reports against the contract schedule, and document timely inspections and acceptance of deliverables. Using the quality assurance inspection reports, we intend to take prompt actions to remedy deficiencies related to contractor performance, cost, and schedule. We are planning on working with the Department of State to conduct peer review of solicitations. I have directed my Compliance Office to tighten internal controls by conducting internal audits of selected Recovery Act contracts through duration of project and to develop an anti-fraud awareness initiative. We have already begun conducting fraud training for staff.

In addition, activities undertaken with Recovery Act funding to further the Rio Grande Flood Control Project, will be subject to annual financial audit by an independent auditor selected by the OIG. The OIG will monitor adherence to the agency's risk management objectives and exercise oversight over waste, fraud and abuse. The public is encouraged to report instances of waste, fraud and abuse to the Department of State OIG hotline, which can be located on both the Department of State and USIBWC websites.

USIBWC is proud to be contributing to this important effort to bring about economic recovery, while at the same time providing long-term public benefits and infrastructure improvements to the U.S.-Mexico border.

STATEMENT OF DAVE WHITE, CHIEF
NATURAL RESOURCES CONSERVATION SERVICE
U.S. DEPARTMENT OF AGRICULTURE
BEFORE THE
U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
April 29, 2009

Mr. Chairman, thank you for the opportunity to provide a progress report on the status of the American Recovery and Reinvestment Act (Recovery Act) funding administered by the Natural Resources Conservation Service (NRCS). The Recovery Act provided funding for three NRCS programs:

Watershed Rehabilitation Program	$ 50,000,000
Watershed and Flood Prevention Operations Program	$145,000,000
Floodplain Easements - Emergency Watershed Protection Program	$145,000,000

Our goal is to obligate 50 percent of these funds by June this year. As you will see, we have made significant strides toward reaching that goal and toward the Administration's objectives of economic recovery and job creation. Projects have already been selected for the Watershed and Flood Prevention Operations Program and the Watershed Rehabilitation Program. Applications for the Floodplain Easements - Emergency Watershed Protection Program are currently being reviewed.

The NRCS programs funded through the Recovery Act will provide significant public and environmental benefits through the restoration of floodplains and investments in watershed improvements, including critical infrastructure. These benefits include reduced threats and damage from flooding; floodplains restored to natural conditions; erosion control; improved water quality; enhanced fish and wildlife habitat; created and retained jobs in both the biological and engineering sciences, as well as construction workers and equipment operators; and improved quality of life through expanded recreational opportunities and added community green space. Moreover, watershed rehabilitation projects will mitigate the risks of failure and threats to public safety posed by aging flood control infrastructure.

Following is a brief overview of the three NRCS programs that received Recovery Act funding.

Watershed Rehabilitation Program

Recovery Act Funding: $50,000,000

The objective of the Watershed Rehabilitation Program is to rehabilitate or decommission aging or unsafe dams owned and operated by sponsors that are ready and willing to begin rehabilitation. The authority for rehabilitation of aging watershed dams is included in section 14 of the Watershed Protection and Flood Prevention Act (Public Law (P.L.) 83-

566). Any of the over 11,000 dams in 47 States that were constructed under the P.L.-534, P.L.-566, or Resource Conservation and Development (RC&D) NRCS programs are eligible for assistance under this authority. Many of these dams are beyond or are nearing the end of their design life. Rehabilitation of these dams is needed to address critical public health and safety issues in these communities. Priority for funding project is based on a ranking system that considers the condition of the dam and the number of people at risk if the dam should fail. NRCS may provide technical assistance and up to 65 percent of the total rehabilitation project cost.

Twenty-seven projects in 11 States have been selected for Recovery Act funding. NRCS State offices are working to obligate these funds as quickly as possible. These "shovel ready" projects will help revitalize rural economies by creating jobs and supporting local businesses that supply products and services needed for construction. These projects will not only ensure that the flood control dams remain safe and protect lives, but will also continue to provide flood control, recreation, and wildlife habitat for decades to come. Here are a few examples of Watershed Rehabilitation Recovery Act projects.

$4.3 million in Recovery Act funding for projects along Pohick Creek in Fairfax, Virginia will result in the rehabilitation of two flood control structures. The dams will be upgraded to current safety standards and continue to provide protection for the nearly 112,000 vehicles that use four major roads downstream from the structure on a daily basis. The dams also provide protection to a number of railroad corridors with a daily average ridership of approximately 9,000 people. The local sponsor is providing $2.2 million for these projects.

Another $4.2 million in Recovery Act funding for a project in Adair County, Oklahoma will protect the water supply of the city of Stillwell, Oklahoma, as well as a rural water district. The local school district served by the project is 94 percent Native American and has a 21 percent poverty rate. The local sponsor is providing $2.1 million for this project.

At the end of this testimony is a list of the 27 projects selected for Watershed Rehabilitation funding.

Watershed and Flood Prevention Operations Program (WFPO)

Recovery Act Funding: $145,000,000

This program provides assistance to sponsoring organizations of authorized watershed projects, planned and approved under the authority of the Watershed Protection and Flood Prevention Act of 1954 (P.L. 83-566), and designated watersheds authorized by the Flood Control Act of 1944 (P.L. 78-534). The NRCS provides technical and financial assistance to States, local governments and Tribes (as project sponsors) to implement authorized watershed project plans for the purpose of watershed protection; flood mitigation; water quality improvements; soil erosion reduction; rural, municipal and industrial water supply; irrigation water management; sediment control; fish and wildlife enhancement; and wetlands and wetland function creation, restoration and protection.

Recovery Act funds will be obligated on WFPO projects for completion of permit mitigation obligations or structural repairs, or for land treatment through the application of conservation practices. Recovery Act funds will also be used for new construction projects that are already authorized, are environmentally beneficial, and have sponsors that are ready and willing to begin work.

Priority for funding projects is based on NRCS' merit-based model which will be used to identify and select the most cost-effective and highest priority projects to meet the objectives of the program.

On April 16, 2009, USDA Secretary Tom Vilsack announced funding for the first phase of WFPO projects under the Recovery Act. A total of $84.8 million was awarded to 55 projects in 21 States. A second phase of WFPO projects will be selected in the near future. Once again, in order to provide immediate economic recovery, the Agency goal is to obligate 50 percent of the funds by mid-June 2009.

Here are a few examples WFPO projects selected for funding through the Recovery Act: Approximately $300,000 for the Whitewater River Watershed land treatment project northeast of Rochester, Minnesota. This project will protect the soil resource base for sustained productivity and improve both surface and ground water quality. The watershed contains eight designated trout streams extending over 100 miles, two State parks, State Wildlife Management Areas, and a State operated fish hatchery. Also in Minnesota, southwest of Minneapolis, the Kanaranzi-Little Rock Watershed project will provide assistance to local farmers to install conservation practices that will reduce soil erosion and improve water quality.

Over $10 million for the Neshaminy Creek Watershed project outside Philadelphia, Pennsylvania. This funding will be used to acquire, elevate and flood-protect 80 homes and businesses currently located in the 100-year floodplain. This project will improve public health and safety by substantially reducing flood damage and enhancing 18 miles of stream corridor and floodplain function.

$2.5 million for the Beaver Creek Watershed project in El Paso County, Colorado will be used to develop 45 land-treatment contracts with family-owned farms, resulting in significant water quality improvement, water conservation, and the enhancement of wildlife habitat. Benefits will be obtained by implementing improved management strategies and more efficient irrigation system components used on cropland and adjacent properties. A significant number of producers in this watershed are considered socially disadvantaged or limited resource producers.

At the end of this testimony is a list of 55 projects selected for the first phase of WFPO funding.

Floodplain Easements - Emergency Watershed Protection Program (FPE-EWPP)

Recovery Act Funding: $145,000,000

Section 382 of the Federal Agriculture Improvement and Reform Act of 1996, P.L.104-127, amended the Emergency Watershed Protection Program (EWPP) to provide for the purchase of floodplain easements as an emergency measure. Since 1996, NRCS has purchased floodplain easements on lands that qualify for EWPP assistance. NRCS purchases easements on floodplain lands and restores them to natural conditions. Floodplain easements restore, protect, maintain, and enhance the functions of a floodplain; conserve natural values including fish and wildlife habitat, water quality, flood water retention, ground water recharge, and open space; reduce long-term federal disaster assistance; and safeguard lives and property from floods, drought, and the products of erosion.

Floodplains that have had flooding events twice in the last 10 years or once in the last 12 months are eligible for the program. Easement applications are ranked based on established National and State priorities. Landowners retain several rights to the property, including quiet enjoyment, the right to control public access, and the right to undeveloped recreational use such as hunting and fishing. NRCS currently holds 1,917 floodplain easements on 126,467 acres nationwide.

NRCS announced a nationwide sign-up for Floodplain Easements Recovery Act funding on March 9, 2009. The deadline was extended until April 10th, due to flooding. North Dakota and Minnesota deadlines have been also extended until May 1st to allow additional time because of on-going flooding events.

As of April 20, 2009, over 4,200 applications for floodplain easements have been received from forty six States and Territories. States will rank their applications and then send their ranking lists to National Headquarters by the end of April. Applications will be evaluated against merit-based ranking criteria and then funding recommendations will be provided to the Chief. After review and approval, funds will be allocated to the States. The Recovery act specifies that no single State may receive more than $30 million in Floodplain Easements funding. NRCS intends to obligate all Floodplain Easement funds by early July of this year.

Transparency and Accountability

Accountability and transparency are cornerstones of NRCS's Recovery Act efforts. NRCS has automated systems which will track the amount of financial and technical assistance allocated for approved projects and progress toward project implementation and outcomes. Recovery Act goals and objectives will be integrated into the performance standards for NRCS line officers.

In addition, the Office of Inspector General has already initiated an audit for oversight of NRCS Recovery Act activities. The objectives of the audit are to ensure:

1. The Department's stimulus-related programs are timely and effectively implemented.
2. Proper internal control procedures are established.
3. Program participants meet eligibility guidelines.
4. Participants properly comply with program requirements; and
5. Agencies establish effective compliance operations.

NRCS has already made great strides in communicating the results of our Recovery Act activities to the general public. USDA Secretary Vilsack held telephone press conferences with approximately forty journalists on two separate occasions to announce the funding for Watershed Rehabilitation and WFPO. NRCS employees have cooperated with Congress on Recovery Act events in their States and districts. Project-specific fact sheets for each NRCS Recovery Act project will be posted to our website at www.nrcs.usda.gov/recovery.

Summary

NRCS has moved quickly to identify meritorious and environmentally beneficial projects to expend the $340 million in Recovery Act funding provided for Watershed Rehabilitation, WFPO, and Floodplain Easements. NRCS is well on its way to meeting our goal of obligating at least 50 percent of Recovery Act funding by June, 2009. NRCS understands that Congress and the public will hold the Federal government to the highest standard of accountability for Recovery Act funding. We are committed to expending these dollars in the most transparent and cost-conscious way possible. I would be happy to respond to any questions from the Committee.

American Recovery and Reinvestment 2009
NRCS Watershed Rehabilitation Program--Approved Projects

State	Project	Funding
Arkansas	Poteau River 5	1,495,000
Georgia	Little Sandy & Trail 1	840,000
Georgia	Marbury 22	300,000
Georgia	Sandy Creek 23	1,675,000
Georgia	Sandy Creek 15	1,975,000
Georgia	South River 4	1,375,000
Georgia	South River 10	150,000
Kansas	Switzler Creek 7	1,135,000
Massachusetts	Su-As-Co MA301	2,357,400
Massachusetts	Su-As-Co MA303	2,007,000
Missouri	Lost Creek B-2	400,000
Nebraska	Papio W-3	1,170,000
New York	Little Choconut 2	344,200
New York	Conewango 3	1,200,000
New York	Conewango 6	1,200,000
Oklahoma	Cottonwood Creek 15	3,610,000
Oklahoma	Sallisaw Creek 18	4,160,000
Oklahoma	Upper Clear Boggy Creek 33	1,010,000
Oklahoma	Upper Clear Boggy Creek 34	960,000
Oklahoma	Upper Clear Boggy Creek 35	840,000
Oklahoma	Washita–Sugar Creek L-43	1,645,000
Oklahoma	Washita–Sugar Creek L-44	1,790,000
Texas	Calaveras Creek 6	2,373,000
Texas	Plum Creek 5	2,452,000
Virginia	Pohick Creek 2	2,195,000
Virginia	Pohick Creek 3	2,160,000
West Virginia	Potomac–New Creek-Whites 14	4,050,000

American Recovery and Reinvestment 2009
NRCS Watershed and Flood Prevention Program--Approved Projects

State	Project	Funding
Arkansas	Upper Petit Jean	134,000
California	Stemple Creek	275,000
California	Lower Silver Creek	10,000,000
Colorado	Beaver Creek	2,500,000
Colorado	Highline Breaks	629,000
Colorado	Holbrook Lake Ditch	185,000
Colorado	Limestone-Graveyard Creeks	187,000
Colorado	Trinidad Lake North	79,000
Iowa	Mill Creek	57,500
Iowa	Hacklebarney	161,000
Iowa	East Fork of The Grand River	1,258,250
Idaho	Southern Washington County Water Quality Project	430,000
Kansas	Big Caney	214,000
Kentucky	Fox Creek	4,092,880
Louisiana	Bayou Duralde-Lower Nezpique	1,270,000
Louisiana	Red Bayou	3,200,000
Minnesota	Whitewater River	299,000
Minnesota	Kanaranzi-Little Rock	245,000
Missouri	East Yellow Creek	420,000
Missouri	West Fork of Big Creek	950,000
Missouri	Upper Locust Creek	1,730,000
Missouri	Big Creek-Hurricane Creek	950,000
Missouri	East Fork of Big Creek	850,000
Montana	Buffalo Rapids	281,000
Nebraska	Blackwood Creek	2,000,000
New York	New York City Watersheds	1,000,000
North Carolina	Swan Quarter Watershed	5,280,858
Oklahoma	Upper Red Rock Creek	60,000
Oklahoma	Stillwater Creek	40,000
Oklahoma	Turkey Creek	1,670,000
Pennsylvania	Tulpehocken Creek	1,375,000
Pennsylvania	Red-White Clay Creeks	430,000
Pennsylvania	Brandywine Creek	20,000
Pennsylvania	Neshaminy Creek	10,075,000
Northern Marianas (Saipan)	Kagman	4,150,000
Texas	Elm Creek (Cen-Tex)	746,000

Texas	Caney Creek	399,000
Texas	Trinity - Big Sandy Creek	369,000
Texas	Lower Brushy Creek	2,502,000
Texas	Plum Creek	1,335,000
Texas	Trinity - Little Elm & Laterals	1,508,000
Texas	Trinity - Chambers Creek	8,558,000
Texas	Trinity - East Fork Above Lavon	666,000
Texas	Trinity - Hickory Creek	658,000
Texas	Trinity - Pilot Grove	744,000
Texas	Trinity - Richland Creek	3,125,000
Texas	Upper Brushy Creek	930,000
Virginia	Little Reed Island Creek	225,300
Virginia	Chestnut Creek	367,700
Virginia	North Fork Powell River	380,000
Washington	Omak Creek	625,000
West Virginia	Upper Deckers Creek	2,100,000
West Virginia	Upper Tygart	3,025,000

House Committee on Transportation and Infrastructure
Smithsonian Institution
Dr. G. Wayne Clough, Secretary
19 May 2009

Thank you for this opportunity to submit this statement for the record on the Smithsonian Institution's funding under the American Recovery and Reinvestment Act (Recovery Act) of 2009. The support of the Administration and the Congress is essential to our work, and we are grateful for that support.

Under the Recovery Act, the Smithsonian has received an appropriation of $25,000,000 for "Facilities Capital," repair and revitalization of existing facilities. We have a plan to spend this money wisely and in an expeditious manner. In fact, we are on track to obligate more than 80 percent of the Recovery Act funds by June 15, 2009, and award all contracts by September 30, 2009.

Today, the Smithsonian owns or leases hundreds of buildings and structures. Some of our buildings are new; the oldest is more than 150 years old; and more than half are over 25 years old. The Smithsonian is unique in both the architectural variety and functional diversity of its buildings. Our buildings support research, education, public programs, and exhibitions for millions of visitors. But many of these buildings are in need of repair. The Arts and Industries Building is a good example of a beautiful, historic building that needs to be revitalized.

The Smithsonian is the largest museum and research complex in the world; it now has 19 museums and galleries, 20 libraries, numerous research centers, 32 education units, and the National Zoological Park. More than 25.2 million people from around the world visited us in 2008 and nearly 173 million virtual visitors went to our web sites. Our museums are free and open 364 days a year. The Smithsonian has unique collections: 137 million artifacts, works of art and scientific specimens. 127 million of these are scientific specimens that are used by Smithsonian researchers and scientists from Federal agencies and from around the world to explore important issues such as climate change and endangered species. The Institution is the steward of many of our nation's treasures, and objects that speak to our nation's bold vision, creativity, and courage: Edison's light bulb and Morse's telegraph, the Wright flyer, the Apollo 11 command module *Columbia*; Lewis and Clark's compass and Mark Twain's self-portrait. It is our task to preserve these treasures in a responsible manner so future generations can learn from them also.

Well maintained, safe and efficient facilities are essential for advancing the Smithsonian's mission. Building revitalization involves making major repairs or replacing declining or failed infrastructure to avoid additional deterioration. Once completed, these projects will improve the overall condition of Smithsonian buildings and systems, and will enable the Smithsonian to create safe conditions in these facilities for visitors, staff, animals, and our priceless national collections.

Smithsonian Projects

Below are the projects that will be undertaken with Smithsonian Recovery Act funds:

- Arts and Industries Building (AIB) — Washington, DC ($4.6 million)
    - Repair exterior masonry
    - Demolish selected portions of interior and remove hazardous materials
- National Zoological Park ($11.4 million)
    - Install fire-protection equipment (including medium-voltage switches) at Rock Creek Park campus (Washington, DC) and Conservation and Research Center (Front Royal, Virginia)
    - Replace roofs at Rock Creek Park campus and Conservation and Research Center
    - Replace deteriorated animal-holding facilities at Conservation and Research Center
    - Repair bridges at Rock Creek Park campus
- Other Smithsonian Projects ($9 million)
    - Install high-voltage electrical safety improvements at multiple locations on the National Mall (Washington, DC)
    - Install sewage backflow preventers on potable water lines at multiple locations off the National Mall; biggest project is at the Museum Support Center (Suitland, Maryland)
    - Install emergency generators at the Smithsonian Environmental Research Center (Edgewater, Maryland)
    - Refurbish or replace elevators and escalators at the National Air and Space Museum and National Museum of American History (Washington, DC)
    - Hire temporary/contract support personnel

Key Events and Major Completed Actions

- Designated senior official to oversee Recovery Act spending
- Established unique Treasury Appropriation Symbol
- Recovery Act projects approved by OMB and congressional appropriations committees

- Apportionment submitted and approved by OMB
- Held senior-level meeting, including the SI Inspector General (IG), to discuss process and procedures
- Assigned project managers and contract specialists to each project
- Established and posted Recovery Act section on Smithsonian website
- Developed a detailed matrix to track individual projects
- Posted Recovery Act funds in the Smithsonian's financial system
- Scheduled senior-level monthly meetings to discuss progress on Recovery Act projects for the remainder of the year
- Established weekly meeting with facilities, contracting, budget, and IG officials
- Posted project progress list (public notices, requests for proposals, awards) on the SI webpage
- Completed obligation and outlay plan on Recovery Act projects and submitted plan to OMB

Smithsonian Review of Recovery Act Projects

The Institution is tracking the progress on these projects with weekly meetings. These meetings include representatives from facilities, contracting, budget, and the Inspector General's office. In addition, monthly meetings are held with the leadership of the Institution, including the IG, to review the progress on each project; identify any risks or issues; and review the actions taken to correct any deficiencies.

Details on the progress of each project can be found on the Smithsonian's Recovery Act website at: http://www.smithsonian.org/recovery. The progress chart tracks: 1) the posting of pre-award notices on www.fedbizopps.gov; 2) the posting of Requests for Proposals (RFPs); 3) the RFP due dates; 4) contract award dates; 5) project obligations; 6) project expenses; and 7) percentage of construction complete. The Institution evaluates progress by tracking whether the project is on schedule and within the estimated cost projections. Contractors will provide periodic (generally monthly) progress reports which will be used by the Institution program managers to validate and assess the contractor's performance.

In addition to tracking the above major milestones for each project, the Institution will use similar measures from the Facilities Capital Program Assessment Rating Tool (PART) evaluation to track the progress of these Recovery Act projects. These measures include:

- Percent of actual obligations as compared to the plan
- Percent of Recovery Act revitalization projects completed

Financial, Contracting, and Environmental Information on Projects

The Institution developed a detailed obligation and expense plan for each project. The Institution's financial system will produce the actual expenditures (obligations and outlays) and this data will be used to track the progress against the plan. Weekly updates will be presented to the Institution's Recovery Act working group and monthly updates will be presented to the Institution's senior leadership. The data will also be posted on the Institution's website at: http://www.smithsonian.org/recovery. As mentioned, the Smithsonian is on track to obligate more than 80 percent of the ARRA funds by June 15, 2009, and award all contracts by September 30, 2009. Below is a summary of the Institution's obligation and expense plan.

American Recovery Act Obligation and Expense Plan																	
TAF	Appropriated ($millions)	Allocation ($millions)			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Smithsonian Facilities Capital 33-0101	$25	$25	OBLIGATIONS	2009				4	10	21	21	21	22	22	22	22
			OUTLAYS	2009					1	4	5	6	8	9	10	11
			OBLIGATIONS	2010	22	23	23	23	24	24	25	25	25	25	25	25
			OUTLAYS	2010	12	14	15	16	18	19	20	21	22	23	24	25

The Institution will maximize competition wherever practical for Recovery Act-funded contracts. The Smithsonian projects that 93% of anticipated Recovery Act dollars will be competitively awarded. This percentage is based on estimated costs of each Recovery Act project. The Institution will also maximize the use of fixed-priced contracts wherever practical for Recovery Fund-funded contracts. The Smithsonian projects that 96% of anticipated Recovery Act dollars will be awarded as fixed-price contracts. This percentage is based on estimated costs of each Recovery Act project.

The Institution submitted the required National Environmental Policy Act (NEPA) report. A member of the Institution's facilities staff met with personnel from the National Capital Planning Commission (NCPC) to review the list of Recovery Act projects. It was determined that there were no Recovery Act projects that required either NCPC or NEPA review. All Recovery Act projects involve repair, replacement, or routine installation and, therefore, fall under the "categorical exclusion" group.

The Institution will also meet the energy efficiency and green building requirements of the Recovery Act. All of the projects on the Recovery Act list are deemed to have some aspect of increased energy efficiency or other sustainability in their scope of work. For example, the Arts and Industries Building projects, although mainly exterior masonry repairs and hazardous material removal, are the precursors to the sustainability efforts of insulated roof, walls, windows, and replacement of all failing mechanical/electrical utilities with more energy-efficient equipment. Every Zoo project (e.g., work to replace deteriorated facilities and repair roads and bridges) includes some form of storm drainage, high-reflectance, or high-efficiency electrical replacement that is sustainable. The other sustainable projects will increase safety and concentrate on areas such as conserving and ensuring a clean domestic water supply, providing more energy-efficient vertical transportation, and giving the Institution access to a more efficient back-up power source at a lower cost.

In sum, the Smithsonian is using Recovery Act resources to focus on facilities revitalization projects to improve the safety and security of our buildings and the collections, and thus enhance our service to the American people.

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DEPARTMENT OF HOMELAND SECURITY

U. S. COAST GUARD

STATEMENT FOR THE RECORD

ON THE

RECOVERY ACT: 10-WEEK PROGRESS REPORT FOR TRANSPORTATION & INFRASTRUCTURE PROGRAMS

BEFORE THE

SUBCOMMITTEE ON COAST GUARD & MARITIME TRANSPORTATION

COMMITTEE ON TRANSPORTATION & INFRASTRUCTURE

U. S. HOUSE OF REPRESENTATIVES

APRIL 29, 2009

The Coast Guard thanks the Chairman and distinguished members of the Committee for the opportunity to provide, for the record, the Coast Guard's progress regarding funding received from the American Recovery and Reinvestment Act (P.L. 111-5).

ALTERATION OF BRIDGES

The American Recovery and Reinvestment Act (ARRA) provided an additional amount for:

> "Alteration of Bridges", $142,000,000 for alteration or removal of obstructive bridges, as authorized by section 6 of the Truman-Hobbs Act (33 U.S.C. 516): *Provided*, That the Coast Guard shall award these funds to those bridges that are ready to proceed to construction: *Provided further*, That no later than 45 days after the date of enactment of this Act, the Secretary of Homeland Security shall submit to the Committees on Appropriations of the Senate and the House of Representatives a plan for the expenditure of these funds.

ARRA funds will allow for the completion of four projects to alter bridges found to be unreasonably obstructive to navigation. Completion of these construction projects facilitates safe and efficient navigation on U.S. waterways, [creates jobs in]benefits the construction sector and local communities, and leverages an additional $120.4 million of previously obligated Bridge Alteration appropriations allocated to these projects. As such, the ARRA appropriation results in a $262 million stimulative impact on the economies of four different states as well as national suppliers of equipment and materials associated with the projects.

Summary of the Four Bridge Alteration Construction Projects

1. **Mobile Bridge** (Mobile River), Alabama
   - *Background:* CSX Transportation, owners of the Mobile Bridge, was issued a Coast Guard Other Transactions Authority (OTA) in June 1999. Construction estimated to start ten years after the Coast Guard OTA was issued.
   - *Execution Strategy:* Following Coast Guard approval, it is estimated the bridge owner will award a construction contract by the end of June 2009. The project's construction is estimated to be completed by June 2011.
   - *Competitive Bid Process: Has not been completed.*
   - ***Accomplishments to Date:***
     - Plans, Specifications, and Engineers Estimate are complete.
     - Requesirements under the National Environmental Policy Act (NEPA) and section 106 the National Historic Preservation Act (NHPA) have been completed.
     - On April 16, 2009, the Coast Guard authorized CSX Transportation to advertise the bid solicitation

2. **EJ&E Bridge** (Illinois Waterway), Illinois
   - *Background:* Owners of the EJ&E Bridge were issued a Coast Guard OTA in February 1995. Effective January 2009, the Canadian National Railway Company became the owners of this bridge. Construction estimated to start 14-years and five months after the Coast Guard OTA was issued.
   - *Execution Strategy:* Following Coast Guard approval, it is estimated the bridge owner will award a construction contract by the end of July 2009. The project's construction is estimated to be completed by July 2011.

- *Competitive Bid Process*: Has not been completed. *While the bridge itself is owned by a Canadian entity, the Construction Contract will be competed in a full and open manner in accordance with all US rules and regulations concerning procurement*
- ***Accomplishments to Date:***
    - Plans, Specifications, and Engineers Estimate are complete.
    - Both NEPA and NHPA Section 106 requirements have been completed for the EJ&E Bridge.

3. **Burlington Bridge** (Upper Mississippi River), Iowa
    - *Background:* The Burlington Northern Santa Fe Railroad Company, owners of the Burlington Bridge, was issued a Coast Guard OTA in August 1991. Construction estimated to start 17-years and ten months after the Coast Guard OTA was issued.
    - *Execution Strategy:* Following Coast Guard approval, it is estimated the bridge owner will award a construction contract by the end of June 2009. The project's construction is estimated to be completed in June 2011.
    - *Competitive Bid Process*: Has not been completed.
    - ***Accomplishments to Date:***
        - Plans, Specifications, and Engineers Estimate are complete.
        - Both NEPA and NHPA Section 106 requirements have been completed for the Burlington Bridge.
        - On April 27, 2009, the Coast Guard authorized Burlington Northern Santa Fe Railroad Company, to advertise the bid solicitation.

4. **Galveston Causeway Bridge** (Gulf Intercoastal Waterway), Texas
    - *Background:* Galveston County, owner of the Galveston Causeway Bridge, was issued a Coast Guard OTA in June 2001. Construction estimated to start eight years and three months after the Coast Guard OTA was issued.
    - *Execution Strategy:* Following Coast Guard approval, it is estimated the bridge owner will award a construction contract in early September 2009. The project's construction is estimated to be completed by September 2011.
    - *Competitive Bid Process*: Has not been completed.
    - ***Accomplishments to Date:***
        - NEPA and NHPA Section 106 requirements have been addressed. The project's Environmental Assessment, which is estimated to be finished by the end of May 2009, will complete the NEPA process.

Bridge Alteration Construction Project Schedules and Project Milestones

Authorized Owner to Solicit Bids	16-Apr-09	15-May-09	27-Apr-09	1-Jul-09
Award Construction Contract	16-Jun-09	15-Jul-09	27-Jun-09	1-Sep-09
Completion of Substructure Work	16-Feb-10	15-Mar-10	27-Feb-10	1-May-10
Float out and Float in the Movable Span	16-Feb-11	15-Mar-11	27-Feb-11	1-May-11
Completion of the Project	16-Jun-11	15-Jul-11	27-Jun-11	1-Sep-11

SHORE FACILITIES.

The American Recovery and Reinvestment Act (ARRA) of 2009 provided an additional amount for

> "Acquisition, Construction, and Improvements", $98,000,000 for shore facilities and aids to navigation facilities; for priority procurements due to materials and labor cost increases; and for costs to repair, renovate, assess, or improve vessels: *Provided*, that no later than 45 days after the date of enactment of this Act, the Secretary of Homeland Security shall submit to the Committees on Appropriations of the Senate and the House of Representatives a plan for the expenditure of these funds."

With this funding, the Coast Guard addressed two critical needs; $88,000,000 of the appropriation to the construction, renovation, and repair of vital shore facilities that support multiple operational communities and accommodate the dynamic state of mission needs; and $10,000,000 of the appropriation will address WHEC (High Endurance Cutter) 378' Engineering Changes (ECs), which are among the fleet's top mission degraders.

Summary of the Eight Shore Facility Construction Projects

1. **Sector Jacksonville,** Florida
   - *Description*: The project will relocate and consolidate the existing Coast Guard office and shop spaces and allow for construction of an Interagency Operations Center for joint operations with Customs and Border Protection (CBP).
   - *Execution Strategy*: Through GSA.
   - *Competitive Bid Process*: Coast Guard is currently coordinating build-out requirements with GSA for the prospectus and solicitation.
   - ***Accomplishments to Date:***
     - A Planning Proposal is complete.
     - *National Environmental Policy Act (NEPA) and Section 106 under the National Historic Preservation Act (NHPA) Requirements*: The Categorical Exclusion process has been initiated and NEPA and NHPA Section 106 requirements will be completed prior to the obligation of funds.

2. **Sector/Air Station Corpus Christi,** Texas
   - *Description*: The project will relocate the existing Coast Guard office, shop, and hangar spaces to the Corpus Christi airport and provide joint operations space with CBP.
   - *Execution Strategy:* Through GSA.
   - *Competitive Bid Process:* Coast Guard is currently coordinating build-out requirements with GSA for the prospectus and solicitation.
   - ***Accomplishments to Date:***
     - A Planning Proposal is complete.
     - *NEPA and Section 106 NHPA Requirements*: An Environmental Assessment and Finding of No Significant Impact were completed in July 2002. All other applicable environmental and historic preservation requirements have been met.

3. **Station Coos Bay,** Oregon
   - *Description:* The project will provide covered moorings for Coast Guard small boats.
   - *Execution Strategy:* By the Coast Guard.

- *Competitive Bid Process*: Using the Nationwide Multiple Award Construction Contract (NMACC) process. The estimated request for proposal date is August 2009.
- ***Accomplishments to Date:***
  - A Project Proposal Report has been approved.
  - *NEPA and Section 106 NHPA Requirements*: The Categorical Exclusion process has been initiated and NEPA and NHPA Section 106 requirements will be completed prior to the obligation of funds.

4. **Coast Guard Cutter (CGC) Sycamore - Cordova Housing,** Alaska
- *Description:* The project will complete the final phase of a housing project to construct 26 housing units.
- *Execution Strategy:* By the Coast Guard.
- *Competitive Bid Process:* This will be executed by an Option Year on an existing contract.
- ***Accomplishments to Date:***
  - Funds have been provided to the field to award the Option Year.
  - *NEPA and Section 106 NHPA Requirements*: An Environmental Assessment and Finding of No Significant Impact were completed November 2007. All other applicable environmental or historic preservation requirements have been met.

5. **Station Neah Bay,** Washington
- *Description*: The project will provide covered moorings for Coast Guard small boats.
- *Execution Strategy*: By the Coast Guard.
- *Competitive Bid Process:* Using NMAC, the estimated request for proposal date is August 2009.
- ***Accomplishments to Date:***
  - A Project Proposal Report has been approved.
  - *NEPA and Section 106 NHPA Requirements*: Under NEPA, an Environmental Assessment and Finding of No Significant Impact were completed April 2006. All other applicable environmental or historic preservation requirements have been met.

6. **Support Center Elizabeth City,** North Carolina
- *Description*: The project will replace Thrun Hall (Barracks), Phase I.
- *Execution Strategy*: By the Coast Guard.
- *Competitive Bid Process:* Using NMAC, the estimated request for proposal date is August 2009.
- ***Accomplishments to Date:***
  - A Project Proposal Report has been approved.
  - *NEPA and Section 106 NHPA Requirements*: An Environmental Assessment and NHPA Section 106 consultation have been initiated. An estimated completion date for both is August 2009.

7. **Station Indian River,** Delaware
- *Description*: The project will provide waterfront bulkhead repairs and replacement for a Coast Guard small boat station.
- *Execution Strategy*: By the Coast Guard.
- *Competitive Bid Process:* Has not been completed.
- ***Accomplishments to Date:***
  - A Project Proposal report is in progress.
  - *NEPA and Section 106 NHPA Requirements*: The Categorical Exclusion process has been initiated and NEPA and NHPA Section 106 requirements will be completed prior to the obligation of funds.

8. Training Center (TRACEN) Yorktown, Virginia

- *Description*: The project will upgrade the water distribution system for a large Coast Guard training campus to meet life-safety standards.
- *Execution Strategy*: By the Coast Guard.
- *Competitive Bid Process:* Using NMAC, the estimated request for proposal date is August 2009.
- ***Accomplishments to Date:***
    - A Project Proposal Report has been approved.
    - *NEPA and Section 106 NHPA Requirements*: The Categorical Exclusion process has been initiated and NEPA and NHPA Section 106 requirements will be completed prior to the obligation of funds.

Summary of the WHEC 378' Engineering Change Projects

The following projects selected for funding will address Engineering Changes (EC) on the WHEC 378' fleet. These ECs include the top mechanical and electrical system mission degraders for this cutter class and are required to preserve our existing capability. These ECs address operational requirements, safety, and environmental issues. The costs for the ECs are in addition to normal maintenance costs that are necessary to operate these aging ships.

NEPA and NHPA Section 106 requirements are currently being addressed. We anticipate the completion of one Categorical Exclusion under NEPA for all ECs proposed for the WHEC 378' fleet. The project's categorical exclusion and Section 106 processes are estimated for completion in June, 2009.

1. Boiler Fireside Upgrades & Boiler Reliability Improvement

- *Description*: The project replaces obsolete and problematic boiler components with supportable and reliable units.
- ***Accomplishments to Date:***
    - Currently developing a Statement of Work to fully develop all Plans, Specifications, and Engineering Estimates for EC development, estimate completion by July 2009.

2. Automatic Bus Transfer Switch Upgrade

- *Description:* The project will replace the obsolete automatic bus transfer switches to improve electrical distribution reliability and safety.
- ***Accomplishments to Date:***
    - Plans, Specifications, and Engineering Estimates are being developed, estimate completion by September 2009.

3. Refrigeration System Upgrade

- *Description:* The project will replace obsolete refrigeration equipment and improve the system with components that utilize an environmentally approved refrigerant.
- ***Accomplishments to Date:***
    - All equipment has been purchased. A Statement of Work is estimated to be completed by August 2009.

4. Fire Pump Replacement

- *Description:* The project will replace obsolete fire pumps, enhancing damage control capabilities and improving crew safety.
- ***Accomplishments to Date:***
  - Plans, Specifications, and Engineering Estimates are being developed, estimate completion by July 2009.

5. Fire & Smoke Alarm System

- *Description:* The project will replace an obsolete and unsupportable monitoring system, providing a more reliable remote sensing capability and improving damage control response.
- ***Accomplishments to Date:***
  - Currently developing a Statement of Work, estimate completion by August 2009.

6. Salt Water Pump Replacement

- *Description:* The project replaces an obsolete and worn out auxiliary salt water (ASW) pump with a new and supportable unit, improving electrical safety.
- ***Accomplishments to Date:***
  - A contract for equipment purchase has been established. Plans, Specifications, and Engineering Estimates are being developed, estimate completion by July 2009.

7. Long Lead Time Material

- *Description:* The project procures contracting, administration, and engineering support for ECs.
- ***Accomplishments to Date:***
  - A contract for equipment purchase has been established, $459,000 has been obligated for government furnished materials and EC final designs.

CONCLUSION

The strength of our Service relies squarely on the dedication and courage of our people. Over the past year, Coast Guard men and women – active duty, reserve, civilian and auxiliarists alike – continued a consistent trend of premier service to the public. They performed superbly in the heartland, the ports, at sea and around the globe to safeguard America's maritime interests. Our personnel worked closely with Department of Homeland Security (DHS) partners to respond to last summer's damaging floods in Missouri and North Dakota; conducted 680 domestic icebreaking operations to facilitate over $2 billion in commerce; operated with other federal partners at sea to prevent nearly 400 thousand pounds of cocaine from reaching America's borders or streets; and continued to support Operations Iraqi and Enduring Freedom on the front lines. We also saved over four thousand lives.

Dedication alone is not enough for our workforce to succeed. They require safe, reliable, and capable assets to fulfill the Coast Guard's multi-mission requirements. I appreciate your strong support in the Consolidated Security Disaster Assistance and Continuing Appropriations Act of 2009. Moreover, the American Recovery and Reinvestment Act of 2009 furthered this momentum by providing funding to address critical issues in my aging High Endurance Cutter fleet and shore plant.

Thank you for this opportunity to present a Statement for the Record. The Coast Guard is pleased to answer any Questions for the Record that the Committee may have.