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Shumlin to Congress: Act Quickly on Transportation Funding

WASHINGTON D.C. – Testifying before a U.S. Senate Committee today, Gov. Peter Shumlin urged Congress to act quickly to replenish the Federal Highway Trust Fund so Vermont and other states can get to work repairing crumbling infrastructure. The Governor warned that in Vermont, projects relying on federal money need to go out to bid next month in order to begin construction in the spring. Failure of Congress to act could put at risk those badly needed projects and the jobs that go with them.

The Governor was joined by Republican Gov. Robert Bentley from Alabama in a bipartisan show of support for continued transportation infrastructure funding from Congress. Vermont alone relies on roughly \$300 million each year in funding from the Federal Highway Trust Fund, which will become insolvent in May if Congress fails to act.

“Our nation’s economic prosperity depends upon a reliable transportation system to efficiently move people and goods,” Gov. Shumlin said in written testimony submitted to the Committee. “Governors across this nation understand that infrastructure is fundamental to our economic competitiveness and job growth. We make that connection every day as we travel around our states and talk to our citizens and employers.”

In his testimony, the Governor pointed to the negative effect transportation infrastructure disruptions can have on jobs and the economy, citing the devastation caused by Tropical Storm Irene, which damaged 500 miles of roads and bridges throughout the state, and the sudden emergency closure of the Lake Champlain Bridge in 2008, which caused serious transportation problems for Vermonters in that region.

Federal funding has helped Vermont make significant progress improving its transportation infrastructure in the past few years. In 2008, Vermont ranked near the bottom of all states – 45th in the nation – for numbers of structurally deficient bridges. By 2013 the state ranked 28th. The overall percentage of structurally deficient bridges has declined from 19.7 percent in 2008 to just over 7 percent in 2014. And the percentage of pavement rated in very poor condition has declined from a high of 36 percent in 2008 to only 13 percent in 2014.

The Governor testified before the before U.S. Senate Committee on Environment and Public Works and was introduced by U.S. Sen. Bernie Sanders who sits on that committee. Sen. Sanders has been influential in pushing Congress to act to fund transportation infrastructure investments and recently introduced a bill to rebuild America's crumbling network of roads, bridges, transit systems, and other infrastructure projects. The five-year plan would invest \$1 trillion in the effort and create or maintain at least 13 million decent-paying jobs.

“In Vermont and across our country we have roads and bridges that are in desperate need of repair,” Sen. Sanders said. “That is why I have introduced legislation to invest \$1 trillion to modernize our nation's crumbling infrastructure. I look forward to working with Gov. Shumlin and my colleagues in Congress to pass legislation to rebuild our state and national infrastructure.”

The Governor's written testimony is attached to this press release.

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United States Senate Committee on Environment and Public Works
Senate Testimony: Honorable Peter Shumlin, Governor, State of Vermont
Transportation Reauthorization: Challenges in Small States and Rural Areas
January 28, 2015

Chairman Inhofe, Ranking Member Boxer, and Members of the Committee, thank you for the invitation to appear before you today to share key transportation challenges facing small and rural states. As a Governor and as a businessman I recognize the critical role you play in moving our nation and our economy forward with the next transportation reauthorization.

Our nation's economic prosperity depends upon a reliable transportation system to efficiently move people and goods. Governors across this nation understand that infrastructure is fundamental to our economic competitiveness and job growth. We make that connection every day as we travel around our states and talk to our citizens and employers.

The issues facing small states and rural areas apply throughout the nation. From Wyoming to Alabama and Idaho to South Dakota the challenges are similar to those we face in Vermont. We have seen both the quality and quantity of the transportation systems that serve small states and rural areas decline for decades due to underinvestment. That has significant, daily impact on the mobility, economic opportunities and the quality of life of rural residents. Getting to the doctor, taking your kids to play team sports, transporting goods for your customers or to your business – these activities often require many miles of travel and rural Americans cannot do these things without reliable, well-maintained transportation.

The costs of maintaining an aging infrastructure are a serious challenge, particularly in northern climates, where snow, ice and temperature changes require additional maintenance and costs. According to the Federal Highway Administration, there are 3.1 million miles of rural roads, accounting for 80% of the national road network. They carry about 40% of vehicle miles traveled. City and county governments – which rely heavily on State DOT funding - are responsible for 95% of unpaved and 55% of paved roads¹.

Our ability to maintain safe bridges is a growing challenge across the country, but especially in small rural states. On a per capita basis, rural states maintain significantly more bridge miles

¹ Rural Policy Research Institute (2011): *Rethinking Federal Investments in Rural Transportation: Rural Considerations Regarding Reauthorization of the Surface Transportation Act*, p.9
http://www.rupri.org/Forms/RUPRI_Transportation_April2011.pdf

than the national average. According to the FHWA, there are 251 structurally deficient bridges in Vermont, and over 63,000 throughout the nation².

Vermont has employed innovative construction to accelerate our bridge repairs, but without sustained funding for bridge maintenance, the number of structurally deficient bridges will increase.

The demolished Champlain Bridge, April 2010



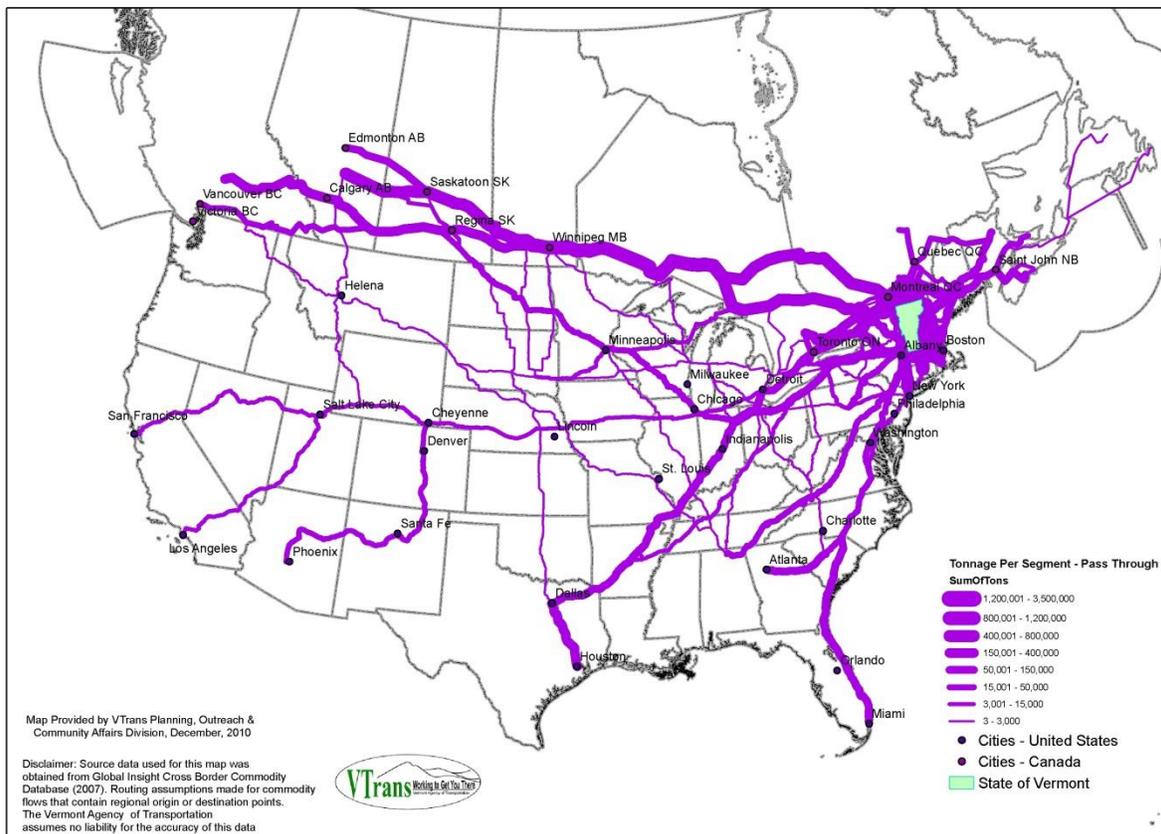
Compounding the funding challenge is the fact that states like Vermont have very limited ability to raise additional revenues to make up for federal funding shortfalls. Low population and Average Daily Traffic (AADT) does not generate sufficient trips required for tolling and other revenue generating mechanisms available to more populous states. Although we desperately

² Federal Highway Administration (2013): *Deficient Bridges by State and Highway System*.
<http://www.fhwa.dot.gov/bridge/nbi/no10/defbr13.cfm>

need the roads and bridges, we just do not have the people needed to support their funding on our own.

Nevertheless, as a border state, Vermont provides essential corridors to our nation's largest trading partner, Canada. Vermont's road and rail network is right in the middle of the New York and Boston to Montreal corridors. Over 40% of Vermont's freight trips neither originate in nor are destined for Vermont. And FHWA forecasts that freight movements will increase by 51% through 2040, dramatically increasing the demand for reliable transportation to support the national economy. The nation needs Vermont's roads and those of our sister rural states to maintain commerce and support national economic growth.

U.S.-Canada Cross Border Commodity Flows Through Vermont



Infrastructure requires an intergovernmental partnership. States recognize our responsibility to supplement federal funds awarded to us with state funds. Recently, Vermont both increased and restructured our state gas tax in an effort to stabilize our declining transportation fund revenues. Now in Vermont 50 % of our gas tax is derived from volume sold and 50% is based on the price of fuel. But the nation, just like Vermont, needs to find alternative revenues to the gas

tax which will continue to decline as vehicles become more efficient and the number of electric and hybrid vehicles increases in the future.

Recommendations

Governors know that a properly funded transportation system translates directly into jobs and a strong national economy. While urging you to act quickly, before the Federal Highway Trust Fund becomes insolvent, I have the following recommendations for your consideration to assure that rural states maintain a strong connection to the national economy.

1. **Maintain the Highway Trust Fund** as the principal vehicle for funding transportation infrastructure and **secure a long term funding source** that allows states to plan for significant transportation investments.
2. **Ensure the needs of small and rural states are addressed** in order to maintain mobility and system connectivity to the national transportation system. Since MAP 21 took away small state minimums, it is critical that small and rural states – particularly border-states that facilitate international trade – continue to receive a sustained national funding commitment.
3. **Maintain competitive discretionary grant programs** that also recognize unique features of small rural states through equitable geographic distribution of grants including a set-aside and lower minimum project size for rural states.
4. **Maintain and increase funding flexibility between modes** so that rural and small states best support their unique multi-modal systems and **encourage innovation and regional partnerships** to further national goals and economic development needs.

Thank you for your time today and for your work to maintain and improve our nation's transportation system. Our jobs, economy and quality of life depend upon the outcome of your work.

The Honorable Peter Shumlin, Governor
State of Vermont