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Speech

Remarks of
Jeffrey N. Shane
Under Secretary for Policy

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INTRODUCTION

Thank you for inviting me to join you this evening to celebrate and honor your former colleague, Frank Keville. I did not have the privilege of knowing Frank, but from seeing all the people in this room, and from the stories I have heard, I truly wish I had. He was a builder who loved challenges -- the bigger, the better. He was a mentor and a teacher and his legacy is the people who carry on his work. Boston benefits to this day. So it is appropriate that the Boston Society of Civil Engineers' Francis M. Keville Scholarship is supporting the education of engineers who are blessed with Frank's "can do" spirit, who will continue his legacy, and who will continue to foster a transit system which is so integral to the very fabric of Boston's daily life.

REAUTHORIZATION

This evening I would like to talk to you about what the Department of Transportation in Washington is doing to address some of the challenges facing the Nation's transportation system. I want to share some thoughts, specifically, on congestion, security, and intercity rail service.

Before I start, however, I want to say a few things about the status of the pending surface transportation reauthorization legislation. As you know, we all are anxiously awaiting congressional passage of a final bill -- something that should have been done more than 19 months ago. In March, the House of Representatives approved its version of the legislation, and the relevant Senate committees have completed marking up their pieces of the bill. Senate floor debate began in earnest April 26. As a result, we do have some reason for optimism, but let me once again make the case, on behalf of the Administration, for the critical importance of Congress completing its work before the

current TEA-21 extension expires at the end of this month. Simply put, our economy depends on it.

The Administration's proposal – SAFETEA, the Safe, Accountable, Flexible, and Efficient Transportation Equity Act – includes total spending of \$284 billion, the largest commitment to transportation ever made by any President. In the context of an overall Federal budget that emphasizes fiscal restraint and directs resources to priorities like homeland security and national defense, SAFETEA is pretty amazing. It is \$28 billion higher than the six-year total proposed just last year, and 30 percent higher than the amounts authorized under TEA-21 – a record-setter in its own right. Funding for transit programs would increase too. SAFETEA would authorize a total of \$45.8 billion for transit, with \$9.5 billion for New Starts projects. This level of funding, combined with the policy changes we have suggested to help modernize our federal programs, will allow us to address the immediate needs of our surface transportation system in a creative and aggressive way.

As my boss, Secretary of Transportation Norm Mineta often points out, while arguments about spending levels are a critical part of any reauthorization process – and money has been the subject of endless debate in relation to this piece of legislation – federal investments must go hand-in-hand with sound policies in order to attract new resources. Passage of SAFETEA will allow us to start thinking seriously about the more far-reaching policy changes that we will have to look at in the future.

CONGESTION

Among those changes is a richer menu of options for dealing with one of the biggest problems that we all face in transportation – the growing levels of congestion in our transportation system. One of the options has to be congestion pricing, or tolling.

Congestion Pricing and Tolling

The Boston City Council knows it has to prepare for the future. It has been discussing a study to determine whether a downtown tolling program could remedy three problems facing Bostonians: congestion, pollution, and the need for revenue. According to the Texas Transportation Institute's 2002 Urban Mobility Study, Boston area travelers lose an average of 54 hours each per year due to congestion. With respect to delay – Boston is the ninth most congested urban area in the United States.

The Government Accountability Office in a very recent report focusing on 21st Century challenges noted that a tolling program might provide a remedy. The GAO found that --

The use of tolls, congestion pricing, and user fees holds promise for helping to solve congestion and mobility problems and provide new revenues for infrastructure improvements. However, the availability of competing federal grant funds and federal restrictions on tolling, pricing and fees can work at cross

purposes by dissuading state and local governments and transportation service providers from adopting these tools.

I certainly agree with that assessment. Clearly, there is much we can do to unleash the energy of the market across all modes of transportation. For example, SAFETEA would allow all States to use tolling on any highway, including Interstates, so long as the aim is to reduce congestion.

Road pricing is a proven congestion buster, and the time has come to allow all states to experiment in this area, not just the 15 that happen to be participants in the Federal Highway Administration's pricing pilot program. Priced lanes can give drivers a choice they don't currently have when they need a quicker, less congested route for driving to work, home, or the day care center.

Congestion Pricing and Benefits for Transit

In fact, as we learned from an experiment in London, congestion pricing can give a real boost to transit too. On February 17, 2003, a pricing scheme for cars was introduced in central London to reduce congestion, to make radical improvements in bus services, to improve travel time reliability for car users and to make the distribution of goods and services more efficient. The evidence from the London experiment suggests the benefits of congestion pricing to transit users and providers are direct and quantifiable. The large-scale improvements to the bus network made in conjunction with the implementation of the congestion pricing scheme have seen increased patronage, both within the congestion charging zone and more widely throughout London. There was a 38 percent increase in patronage and a 23 percent increase in service compared with 2002. About half of the increased patronage is estimated to be due to congestion charging.

And, as you know, more patronage allows increased service frequency, which, in turn, leads to further patronage increases. In addition to the increased revenues enjoyed by the transit system from increased patronage, the revenues generated by the congestion pricing scheme itself can also be used to support improved transit facilities and services. In London, revenues attributable to the pricing scheme are indeed being used to implement the City's transport plan, including significant investments in the mass transportation system.

The current House and Senate reauthorization bills do not currently provide such broad tolling authority. Again, the Bush Administration believes it is an important tool that should be available to Massachusetts and to all the states, and we will be working hard to persuade Congress to adopt it as part the final authorizing legislation.

SECURITY

Even as we enhance mobility, reduce congestion, and grow the economy, we must maximize the safety and security of all Americans. These are not incompatible goals;

indeed, they should reinforce each other: it is possible to have a transportation system that is at once efficient and productive *and* safe and secure.

The Department of Transportation's role in security has changed now that the Transportation Security Administration and the United States Coast Guard have moved to the Department of Homeland Security. DHS now has primary responsibility for all transportation security matters. In September 2004 our two Departments entered into a master Memorandum of Understanding detailing our respective roles and responsibilities. DOT's modal administrations are well positioned to provide detailed program guidance to the DHS and its Transportation Security Administration. We need to be constantly vigilant as the post-9/11 war on terrorism continues, and we need to work together as never before.

An excellent example is the cooperation effort between DOT's Federal Transit Administration and the Department of Homeland Security. Both have placed a high priority on increasing security in the Nation's public transportation systems. Public transportation systems are inherently open and accessible, intended to help people move rapidly and efficiently between home and work, shopping, medical care, and other community activities on a daily basis. Every workday, transit moves more than 14 million passengers. In a two-week timeframe, transit carries more passengers than Amtrak does in a year. In a single month, transit moves more passengers than U.S. airlines carry in a year. The challenge we face is balancing a necessarily open public transit environment with the need for security.

Since September 11, 2001, the Federal Transit Administration has undertaken an aggressive nationwide security program with the full cooperation and support of every transit agency involved. FTA has conducted risk and vulnerability assessments in cooperation with operators of the 37 largest systems in the country – systems that carry almost 80 percent of the nation's transit riders. It has also deployed technical assistance teams to 45 transit systems and has plans in place to reach the 50 largest systems, all at no cost to transit agencies. These assessments help transit agencies and local officials strengthen security and emergency preparedness plans; provide immediate, operational security improvements; and offer tailored assistance based on threat assessments. Further, as part of a \$3 million program involving 83 transit agencies, FTA has funded emergency response drills conducted in conjunction with local fire, police and other emergency responders.

Based on the full complement of threat and vulnerability assessments that have been conducted, as well as consultations with security experts around the world, FTA has developed a consistent strategy of promoting employee training, emergency preparedness planning, and public awareness as the best way to prevent and mitigate the consequences of a terrorist attack – an effective strategy that is now being incorporated into the Department of Homeland Security's Transportation Security Strategic Plan. This is the kind of partnership we are developing with Department of Homeland Security to make our transportation system more secure.

Here in Boston, MBTA and FTA have worked very closely together. MBTA has excelled in assessing its system and partnering with other agencies to increase its security. And I want to applaud Governor Romney for initiating the “See Something, Say Something” public awareness campaign last year.

INTERCITY PASSENGER RAIL REFORM

Let me close with a few comments on intercity passenger rail reform.

On April 14th the President resubmitted the Administration’s proposal to reform intercity passenger rail service in the United States. It was originally introduced in 2003. We believe the current model for passenger rail service – with Amtrak as monopoly provider – is not working. Our plan would breathe new life into passenger rail by creating a new Federal-state partnership for investing in improved passenger rail service.

The Washington-New York-Boston Northeast Corridor main line is the most heavily used rail route in the country, forming an essential link for intercity passenger and freight transportation and for commuter access to the major cities of the Northeast. But Amtrak actually carries fewer people over the Northeast Corridor tracks than our transit systems do. That’s one very important reason why we need to find a more stable and predictable framework for the conduct of intercity passenger services: the reliability of transit operations depends on it. At least initially, the ownership of these assets should be in the public sector, and management and control should reflect significant input from the States that depend on the Northeast Corridor for passenger and freight mobility. To ensure the stability of service in the Northeast Corridor the legislation authorizes targeted capital funding for the backlog of projects needed to bring the NEC back to a state of good repair. This funding will be used to restore rail facilities and equipment, completing the necessary improvements that Amtrak has been unable to fund.

Under our plan, the tracks and stations owned by Amtrak would be transferred to state and local control. As I said, commuter trains constitute the majority of passenger trips on Amtrak’s lines, so it just makes sense to put state and local officials in charge of the tracks and stations that are so vital to your economy. We would introduce healthy competition for passenger rail service. Finally, our plan would provide federal matching grants to States for capital improvements for intercity rail service. The capital funding provided by Massachusetts to improve rail service would be matched dollar-for-dollar by the federal government.

Conclusion

Let me stop there. I know I have only scratched the surface, but I hope these remarks have given you an indication of some of our transportation priorities in Washington. We look forward to working with all of you in the years ahead to advance our transportation policy objectives.

Thank you for allowing me to share these thoughts with you tonight. I would be happy to respond to your questions.

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