

Statement of
Atlanta Mayor Kasim Reed
on behalf of
The United States Conference of Mayors
before the
House Transportation and Infrastructure
Subcommittee on Highways and Transit
hearing on
“FAST Act Implementation: State and Local Perspectives”
April 5, 2017

Chairman Graves, Ranking Member Holmes Norton and Members of the Subcommittee, I am Kasim Reed, Mayor of Atlanta.

I thank you for this opportunity to appear before you and this Subcommittee on behalf of The United States Conference of Mayors, the national, bipartisan organization of mayors, representing the nearly 1,400 U.S. cities with a population of 30,000 or more.

I am pleased to speak about implementation of the FAST Act, emphasizing that mayors and other representatives of local governments invest in, own and manage most of the nation’s surface transportation infrastructure. I can assure you that my local colleagues fully appreciate the need for additional financial and programmatic responses to the challenges before us in addressing our nation’s surface transportation needs.

In my testimony before this Committee to prepare for MAP-21, I emphasized then that the issues before all of us are not unlike what we face each day in our cities. How do we secure more value and better performance from our investment of taxpayer dollars, and how do we find additional resources to grow and expand our investments in core assets, like infrastructure, and the other critical services that fuel economic growth and ensure future prosperity for our citizens? These values drive all of us in public service, and represent responsibilities that we cannot shirk. These same questions are squarely before us today.

And, as a mayor of a city in a region with an already substantial and ever-growing economic output and population, there are challenges before us that go beyond aging infrastructure. According to IHS Global Insight, our U.S. metro areas are estimated to grow by nearly 66.7 million people over the next 30 years. Growth in the Atlanta region is projected to be substantially higher, as our region's population is estimated to grow from 5.8 million to more than 8.6 million (or 48.7 percent).

When we look to the future, with our success so important to our state and the nation, we must have all transportation options on the table so we can sustain our economic growth and do so cost effectively and efficiently.

Looking more broadly at our metro economies, these areas today account for 86 percent of the country's population, 88 percent of national employment, 89 percent of real income, 91 percent of wage income, and 91 percent of overall Gross Domestic Product (GDP). In 2015, 96.5 percent of all new jobs were created in metro areas. Consider that the total Gross Metropolitan Product (GMP) of America's top 10 metro areas – New York, Los Angeles, Chicago, Dallas-Fort Worth, Houston, Washington D.C., San Francisco, Philadelphia, Atlanta, and Boston – totals more than \$6.24 trillion, larger than the combined economic output of 37 states.

These numbers show us, Mr. Chairman, that we must prepare for this future growth and our new transportation needs now, or we will literally choke on our own congestion and cause undue hardship on our business community and households and the nation's economy.

This economic and population data underscores why the Conference of Mayors and its mayors (and other local elected leaders) continue to urge policy reforms to ensure that local elected officials have more say over how available federal resources are invested.

We also believe this greater emphasis on local decision-making will actually help us find those productivity gains that we are looking for in our transportation investments to help the U.S. economy grow faster.

FAST Act

As we confront these challenges, we are fortunate to have the FAST Act providing the broad framework for a strong and continuing partnership with us locally and our state government partners. This bipartisan measure strongly affirmed the importance of a balanced federal partnership that mostly empowers us as local and state officials.

On behalf of the Conference of Mayors, we want to applaud this Subcommittee and the full Committee, notably the efforts of Chairman Bill Shuster and Ranking Member Peter DeFazio, for coming together to craft a bipartisan framework to guide our shared federal/state/local partnership into the future.

There are many features of the new FAST Act but here are a few especially important ones:

- Funding flexibility continues, allowing us to craft solutions that work for the broader economy and our local areas and communities;
- Balanced investment in highways, transit and other travel alternatives, providing funding certainty for highway, transit and transportation alternatives, and underpinning future project planning and delivery;
- Increased resources to local areas, recognizing the growing importance of delivering more resources to those elected leaders who for more than a generation have led all governmental partners in bringing new revenues to our nation's highway and transit needs; and
- Commitments to emerging transportation challenges, whether it is responding to growing freight demands and bottlenecks or deploying new technologies for advanced vehicles or for other mobility needs.

I am pleased to report that from the vantage point of mayors, the core program activities of the FAST Act are working well, and projects are moving forward with a degree of certainty and predictability. That said, we know there are still rulemakings implementing various elements of the new law still in the pipeline, and we will look to secure the benefits of these reforms as they become available.

On freight issues, I want to recognize and commend former Secretary Anthony Foxx for giving such priority to getting the new FASTLANE grants program up and running, a FAST Act initiative that has already provided the first round of this discretionary funding for projects addressing critical freight issues. We look forward to subsequent grant rounds under this new initiative.

At the same time, we have learned that some important features of the FAST Act are already being challenged. The outgoing Administration proposed a new rule on MPO designations that created unreasonable burdens for a number of regions, and we thank you, Mr. Chairman, and this Committee for acting on legislation to remedy this.

On another issue, the Conference is troubled that the new Administration is contemplating the eventual elimination of the Capital Investment Program (as initially described in its preliminary budget request).

Mr. Chairman, Members of this Subcommittee and the full Committee have worked hard with project sponsors and others to adopt major changes to address issues related to the continued federal support for these major transit investments. As mayors, we pledge to work with the Administration and urge them to revisit this proposal, making the case that these investments are critical elements of our transportation infrastructure and spur the growth of our metropolitan economies, which help drive our nation's economic success.

I now want to share some examples from my region that further animate these broader questions.

I-85 Collapse

The collapse of a bridge on Interstate 85 in Atlanta last week points to the need for transportation options, including robust transit service. Having alternatives – whether alternative roads or trains, among others – is a part of resiliency.

Emergency Relief Program funding, I am told, is already being deployed to help respond to this bridge collapse, and we thank you.

We are fortunate now that the State of Georgia in 2015 passed HB 170, which raised our state gas tax to provide for nearly \$1 billion annually in bridge and road repair. But we need to do more and the City of Atlanta is showing the way.

MARTA & TSPLOST

The City of Atlanta is moving full speed ahead on providing the world-class transportation options that its residents and businesses continue to support, and demand, in overwhelming fashion. This is so critical to our city that our residents are willing to tax themselves to get this done.

Last November, the half-penny sales tax referendum on a \$2.6 billion MARTA expansion passed with 71 percent approval. The accompanying TSPLOST (four-tenths of a penny) will raise an estimated \$300 million for infrastructure projects. It won a 68 percent majority.

City residents are voting with their pocketbooks, and businesses are voting with their feet in order to improve their lives and bottom lines by locating near transit –

- NCR, Honeywell, GE Digital, UPS, EquiFax and Anthem are moving into Atlanta or expanding their presence here. They all want convenient access to MARTA.
- So does State Farm in Dunwoody and Mercedes-Benz in Sandy Springs, just north of the city limits, but still on the MARTA rail line.

For decades now, Atlanta's investment in transportation infrastructure has set the city above our regional competitors. Our landmark decisions to invest in MARTA and Hartsfield-Jackson airport have been critical factors in building Metro Atlanta into the dominant economic and cultural engine of the Southeast.

In the last two years, Atlanta taxpayers have doubled down on that investment, beginning in March 2015 with approval of the Renew Atlanta Infrastructure Bond program, which is already delivering \$250 million in infrastructure improvements in a timely and efficient manner.

We are fixing roads and bridges; engineering more than 30 miles of Complete Streets projects, including bicycle lanes; and synchronizing traffic signals.

Thanks to the city's robust AA+ credit rating – its highest in 50 years -- we are funding these improvements at historically low rates.

MARTA's expansion means the potential is very real for new light-rail transit and flexible bus service that will connect with existing heavy rail and the Atlanta Streetcar.

Anti-transit voices often advocate for short-term fixes over long-term projects, like Bus Rapid Transit (BRT) over heavy or light rail. We recognize that BRT is part of the solution. But there's no question that our investments in rail have been a driving force in our region's growing economy.

The Atlanta BeltLine

The Atlanta BeltLine is a 22-mile loop on trails and transit and economic opportunity being built on abandoned rail lines around the City. It will connect 45 neighborhoods and 22 schools with sustainable transit, bike and pedestrian options.

Since 2009, the Atlanta BeltLine has leveraged \$400 million in public investment into \$3.7 billion of development within a half-mile of the corridor.

The Eastside Trail, completed in 2012, sees more than one million visitors each year and has contributed to the economic and cultural resurgence of its surrounding neighborhood. The \$43 million Southwest Trail is currently under construction, representing the single largest expansion in BeltLine history.

As early as 2005, developers were transforming former industrial sites into mixed-use developments with new commercial, retail and residential space.

Even through the "Great Recession," development continued, in particular around new Atlanta BeltLine infrastructure such as Historic Fourth Ward Park.

New parks, trails and transit are expected to continue this trend as developers recognize the value of this new infrastructure and build denser, mixed-use urban developments that attract new residents to the city.

Partnership with Governor Deal

While our politics may be different, Governor Nathan Deal and I share a commitment to Georgia and its future. The things we choose to work together on, we agree 100 percent.

The deepening of the Port of Savannah doesn't happen without both of us. People may not realize it, but having that port deepened means the Savannah Port is going to be one of the top three ports in America. It's going to challenge New York/Newark.

I hope that our model of collaboration, between the Atlanta mayor and the Georgia governor, is one that will always survive politics. I hope it will inspire other blue and red cities and regions to cooperate.

If you look at the number of headquarters and business wins Governor Deal and I have had, we've pitched almost all that business together. The City of Atlanta has seen 17 corporate relocations in the last 42 months.

Last summer, Governor Deal and I were meeting the press at the Capitol almost every week to announce another tech company that was bringing thousands of new jobs to Midtown Atlanta – NCR, GE Digital, Honeywell, UPS, Anthem are all coming, bringing about 10,000 jobs with them.

It's very rare you walk into a room these days and you see all Republicans or all Democrats. So when Governor Deal and I walk into a room together, it definitely impacts the tone of whatever we're doing. There's a power in our unity that businesses are impressed to see. It saves a lot of time and money. When the Governor and I are on the same page, it eliminates the need for multiple meetings with businesses.

It also means Invest Atlanta works hand-in-hand with the state's economic development team, and we all proceed in a seamless fashion.

Port of Savannah

At least as far back as 2011, Governor Deal and I were working together on funding for the Savannah Harbor expansion because it supports jobs in Georgia, Atlanta, and all around the country. We traveled together to Washington to meet with then Transportation Secretary Ray LaHood to lobby for federal funding for the harbor deepening.

Deepening of the Port is underway with completion set for as early as 2020. It will have tremendous effect on Hartsfield-Jackson, where our logistics business is a major component. Our 24-hour cargo operation at Hartsfield-Jackson creates more than 27,000 jobs in Georgia.

The Port of Savannah saw record container volume growth in December 2016, a 12.3 percent increase – more than 32,000 units - over December 2015.

For every dollar spent on the harbor expansion, more than \$5 is returned in economic benefits to the nation, according to study by the U.S. Corps of Engineers. Larger shipping vessels docking in Savannah translate to lower costs per container, meaning it's cheaper to ship goods to Atlanta.

Closing Comments

Mr. Chairman, we know our success as a nation is linked to how successfully we address our transportation and other infrastructure needs in our city and county metropolitan areas. As a leader of the Atlanta region, I can assure you that nothing is more important than investment in the basic infrastructures, especially our water and transportation systems, which underpin all of our prosperity.

We are fortunate to now have the FAST Act in place which is helping us at the local and state level make progress on our surface transportation infrastructure needs. We know there is much more to do, and addressing the deficit in the current Highway/Transit Trust Fund is foremost among the challenges before us.

In helping our cities and regions find a sustainable path to control sewer and storm overflows with green infrastructure and through permits rather than cost consent decrees, I want to convey the strong support of the Conference of Mayors for Representative Gibbs legislation (HR 465).

Finally, we know the new Administration is looking to make a sizable commitment to improving our nation's infrastructure, be it highways, bridges, transit, water and sewer, among others. We see this as an opportunity to catch up on these growing deficits, despite the sizable local commitments to these areas of infrastructure investment. We urge you to work with us to ensure that some portion of these additional funds actually reach local decision-makers to help you achieve the positive results you are seeking for your local areas and the nation.

Mr. Chairman, Ranking Member and Members of the Committee, I thank you for this opportunity to present the views of The U.S. Conference of Mayors and their member mayors, and to share perspectives from my city and region. Please know that the Conference of Mayors and the nation's mayors stand with you as you work to strengthen this important partnership with us on surface transportation.