

AMERICAN ASSOCIATION
OF STATE HIGHWAY AND
TRANSPORTATION OFFICIALS

AASHTO

TESTIMONY OF

The Honorable Paul Trombino III, P.E.
Vice President, American Association of State Highway and
Transportation Officials;
Director, Iowa Department of Transportation

REGARDING

**Meeting the Transportation Needs of Rural
America**

BEFORE THE

**Subcommittee on Highways and Transit of the
Committee on Transportation and Infrastructure of
the United States House of Representatives**

ON

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INTRODUCTION

Chairman Graves, Ranking Member Norton, and Members of the Subcommittee, thank you for the opportunity to provide input on the transportation needs facing rural communities throughout the country. My name is Paul Trombino, and I serve as the Director of the Iowa Department of Transportation (Iowa DOT) and the Vice President of the American Association of State Highway and Transportation Officials (AASHTO). Today it is my honor to testify on behalf of the State of Iowa and AASHTO, which represents the State departments of transportation (State DOTs) of all 50 States, Washington, D.C., and Puerto Rico.

I have been honored to serve as Director of the Iowa DOT for the past four years. I have spent over 20 years in public service, starting in 1994 at the Wisconsin Department of Transportation, and have served in a variety of leadership roles, including Operations Director of the Highway Division, Director of Statewide Structures, and Manager of Highway Bid Lettings, prior to becoming Director.

Iowa's location near the center of the country affords both opportunities and challenges. The State features a diverse range of surface transportation options, including highways, freight rail lines, waterways, and public transit—all of which contribute to its economy and provide essential service to our citizens. This infrastructure is also the focus of heavy demand from both domestic and international traffic, creating repair and capacity needs throughout the system. To meet this challenge we are continually making improvements while prioritizing safety and mobility.

My main message this morning is to share with you the experience of the State DOTs, including my State of Iowa. As traditional sponsors of transportation projects, State DOTs possess the unique expertise and familiarity with Federal statutory and regulatory requirements associated with project design, procurement, and construction in rural communities.

I also urge prompt action on a well-funded, long-term surface transportation bill that clearly reflects and serves the national interest, in rural parts of the country as well as in our urban centers. No matter the geographic region, the simple unifying fact is that America needs a Federal transportation program that provides robust investment levels coupled with long-term funding stability that serves our national priorities. Furthermore, the Federal program should continue to provide States with flexibility by streamlining regulations and program requirements, while not diminishing the percentage of funds distributed by formula. Enacting this well-funded, long-term Federal program with flexibility for States is absolutely critical if we are to address significant transportation challenges, and, thereby, strengthen every part of the United States and its economy.

Transportation powers the creation of wealth in our nation and all the States, unleashing opportunity for economic activity. Iowa's economy is dependent on a robust and diverse transportation system to move products to a global marketplace. Iowa's transportation system has long provided our State's businesses a competitive advantage and that remains true today in the global economy.

My testimony today will emphasize three main points:

1. The ability of the current system to provide for the needs of rural America;
2. The value of a strong State role in the Federal program; and
3. The benefit to the States from increased program flexibility.

THE ABILITY OF THE CURRENT SYSTEM TO PROVIDE FOR THE NEEDS OF RURAL AMERICA

State DOTs play a critical role in ensuring that we have a safe, reliable, and efficient transportation network. In fact, this past February, my governor—Governor Terry Branstad—signed into law a ten-cent increase in the State fuel tax passed by Iowa’s House and Senate with bipartisan support. Supported by the counties, business organizations, and groups like the Iowa Farm Bureau and Association of Business and Industry, this action will raise an estimated \$215 million in additional resources per year to invest in our State’s bridges and roads.

States are also actively involved in assisting transit service, particularly in rural areas and for seniors and special needs individuals. Of the 35 public transit systems in Iowa, 16 serve our regional areas of the State, making Iowa one of only a few States offering public transit service in every county. State DOTs also work closely with local transit agencies to spend (“flex”) an average of \$1 billion a year in Federal highway funding on transit projects. By its very nature, there are many challenges in providing adequate rural transit services that meet the growing demands for access to medical care, employment, education, shopping, and recreation. One of the biggest challenges is maintaining the vehicle fleet necessary to provide those services. Unfortunately, the Moving Ahead for Progress in the 21st Century Act’s (MAP-21) formulas for allocating funding for buses and bus facilities have significantly reduced funding to many rural States. In Iowa, Federal funding for bus replacement has been reduced by over 50 percent resulting in approximately 60 percent of the vehicle fleet exceeding Federal useful life standards. We were able to take advantage of the flexibility of Congestion Mitigation and Air Quality Improvement funding to partially offset the impact; however, that just reduces funding available for other transportation needs in Iowa. The end result is that there are fewer vehicles available to provide service at a time when the demands for rural transit service are increasing.

The current transportation planning process reflects a coordinated process involving the State DOTs, Metropolitan Planning Organizations (MPOs), cities, and counties. During the project selection process, local elected officials identify projects of significant importance to a region and its constituent localities. It also provides extensive opportunity for local officials and communities to consult and inform States of their priorities. These priorities are taken into account in statewide plans along with other considerations, including interstate mobility for people and goods. Recently, Iowa DOT created a local asset management group in conjunction with Iowa State University to help standardize performance data for decision making across all counties and cities, emphasizing consistent use of common data to prevent confusion or uncertainty among the different groups and to encourage a more holistic view of the transportation network.

In Iowa, we are additionally encouraging Statewide and local officials to think holistically about how infrastructure connections occur across multiple localities (through institutions like the Regional Planning Affiliations or RPAs), rather than only on an individualized level. The overall process serves as a reminder of the important function our rural communities provide to the State's economy and transportation network. Likewise, Iowa DOT's role is to emphasize the coordination necessary for the efficient and effective movement of people, goods, and services.

The Iowa DOT has undertaken a first-of-a-kind supply-chain design of an entire State. The focus of this service is to assist producers in designing and optimizing their supply chains and identifying strategic location of their facilities in Iowa to reduce their overall supply chain costs while improving the competitiveness of their products. Strategically, we have used this process to link together the Iowa DOT and the Iowa Economic Development Authority focused jointly on transportation and economic development. We're working together to effectively identify and prioritize investment opportunities for an optimized freight transportation network in order to lower transportation costs for Iowa businesses and to promote business growth in Iowa. This strategy will help farmers determine how crops can efficiently move to areas of high market demand at a lower cost in less time, and assess connectedness of co-op storage facilities to the rest of the network. Given that 20 to 25 percent of the cost of commodities produced in rural areas is transportation related, this unique work on supply chain design underscores the ability of State DOTs to provide high-level solutions reflecting the Federal program's intent and scope while remaining closely familiar with local conditions.

EXHIBIT 1. STATE OF IOWA SUPPLY-CHAIN DESIGN AND FREIGHT OPTIMIZATION TOOL

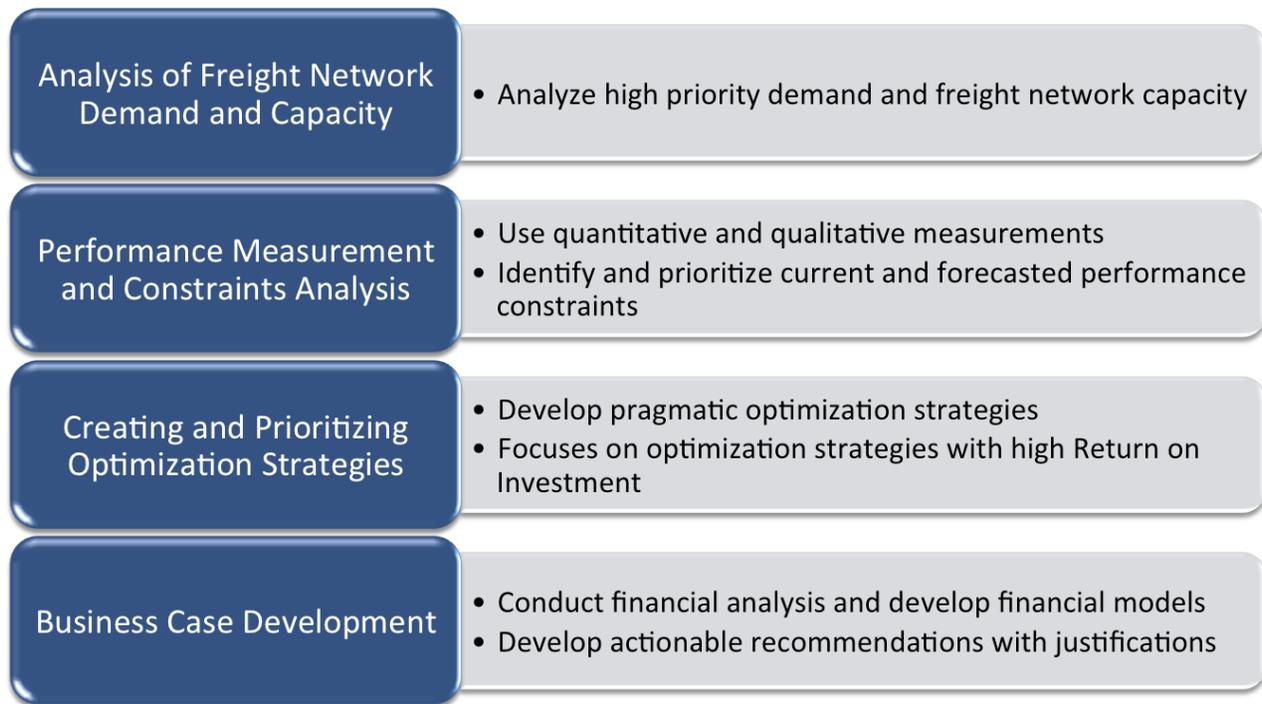


EXHIBIT 2. CURRENT STATE

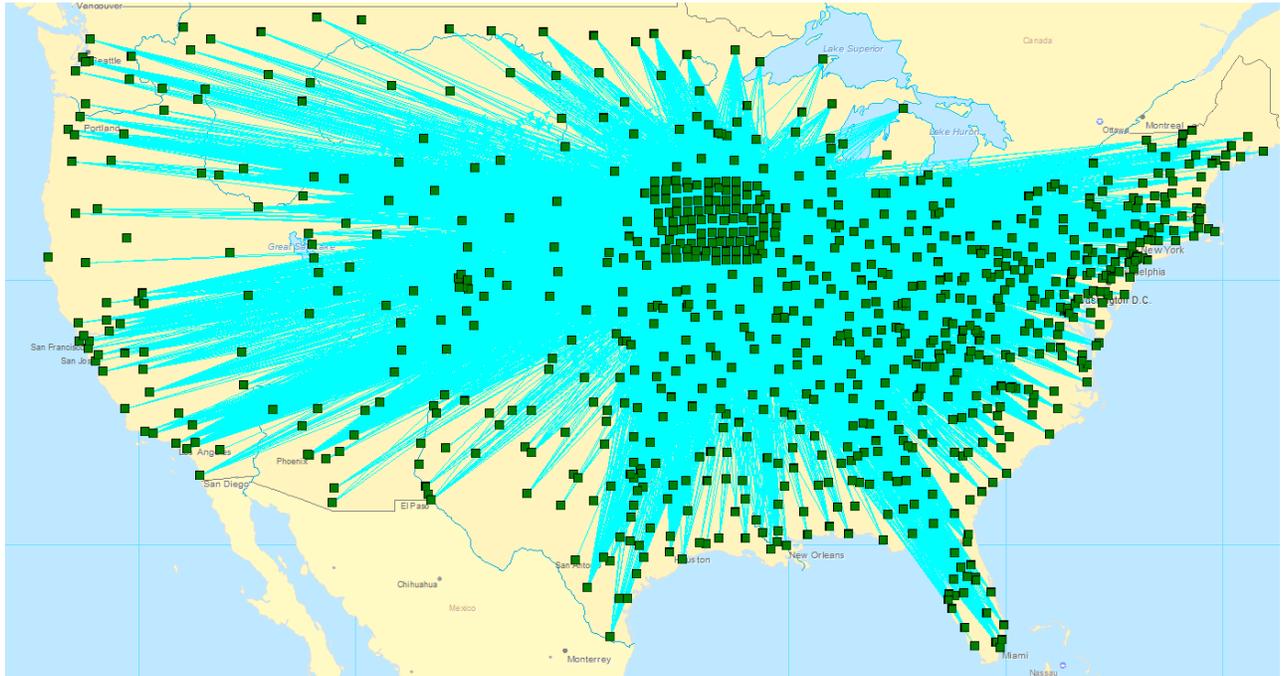
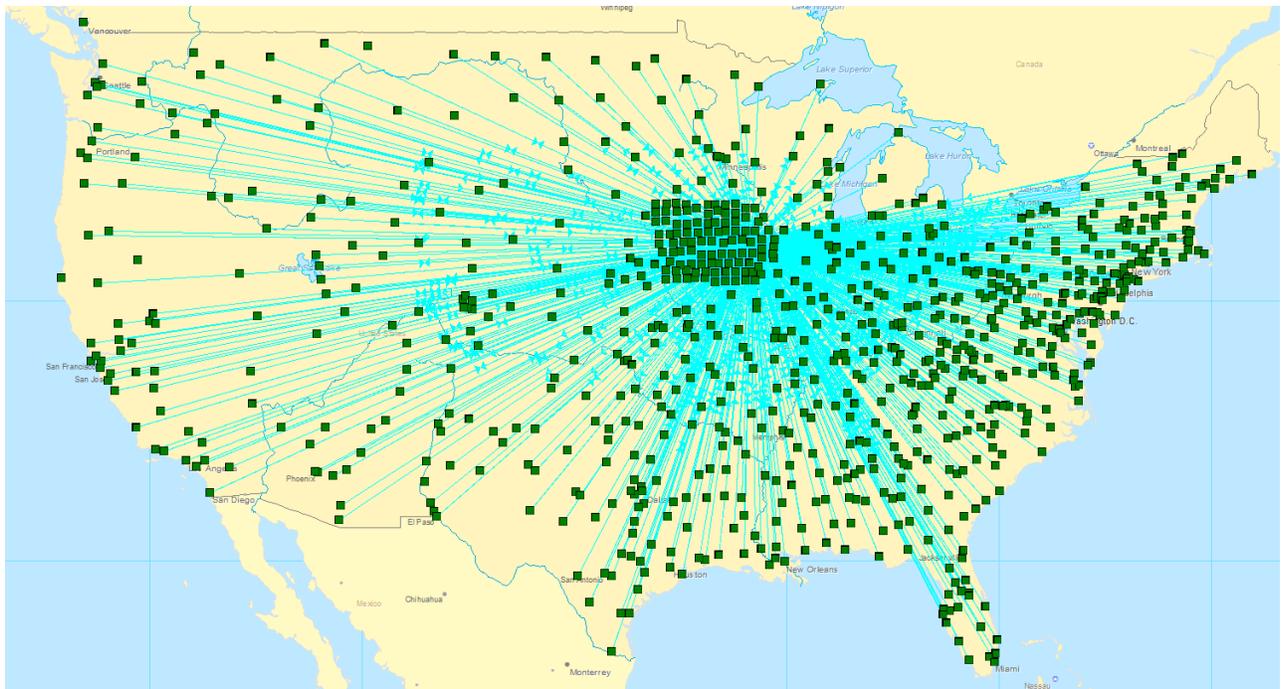


EXHIBIT 3. FUTURE STATE: FREIGHT CONSOLIDATION VIA CROSS DOCK FACILITY



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Director, Iowa Department of Transportation

THE VALUE OF A STRONG STATE ROLE IN THE FEDERAL PROGRAM

For nearly 100 years, the Federal government and State DOTs have worked together to build and maintain our Nation's highway system. The Federal-Aid Road Act of 1916 established this fundamental framework of a Federally-assisted, State-administered Federal-Aid highway program. This relationship was best suited for a growing and geographically diverse nation like ours. Today about \$38 billion is distributed through this Federal program to State DOTs to fund a wide range of projects that are clearly in the interest of the nation as a whole. These projects are the backbone of our country's mobility and support interstate travel and commerce, helping people commute to and from work, and helping goods gain access to a larger market than ever before. Furthermore, States own, operate, and maintain 100 percent of the Interstate Highway System and over 95 percent of the miles on the National Highway System (NHS). Eighty (80) percent of truck traffic and a majority of all travel occur on the NHS. State DOTs are thus an integral component in providing important coordinating functions for upkeep and renovation work.

While the Federal-State partnership is the foundation of our Federal highway program, State DOTs also have strong partnerships with local governments in their respective States. The transportation planning process as strengthened under the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) and expanded in subsequent authorizations has enabled State DOTs to work extensively with local planning agencies and the public in developing multimodal transportation plans and identifying projects that are supported by the Highway Trust Fund.

I am proud to say that following adoption of ISTEA, Iowa DOT implemented a regional planning process that mirrors the long-standing metropolitan planning process. In fact, Iowa's 18 RPAs perform most of the same functions as our nine MPOs including developing annual planning work programs, long-range transportation plans, and transportation improvement programs. From the beginning, Iowa's RPAs have been responsible for programming a portion of Federal surface transportation funding on projects of national and regional significance in a coordinated manner.

MAP-21 contained several provisions that further enhanced the role of local government in the transportation planning process, including an increase in Federal funding that is suballocated for projects in different parts of the State based on population. In many cases, this suballocated funding is dedicated to local projects identified solely by local planning agencies. In FY 2014, close to \$5 billion in Federal highway funding was suballocated, which represented a nearly five-percent increase in the amount of funding suballocated annually compared to prior surface transportation authorizations. These provisions actually move Federal law closer to the system we have had in place in Iowa since ISTEA. However, I cannot emphasize enough how critical it was in Iowa to have a strong State-administered Federal program in order to achieve the successful regional planning process. Absent that process, we would see a step back in the coordinated planning and programming of funds which is vital for the effective allocation and use of Federal transportation funding.

Furthermore, MAP-21 introduced the development and implementation of a performance-based transportation program where State DOTs set performance targets based on the current program structure, in areas such as pavement and bridge conditions, injuries and fatalities, traffic congestion, on-road mobile source emissions, and freight movement. As such, selection of Federally-funded projects on the local system will require close coordination if States are to be able to meet their transportation system-wide performance targets.

Any effort to disrupt the Federally-assisted, State-administered structure of the Federal-Aid highway program that has served our nation with great success could undermine the very foundation of a strong Federal role in transportation investment. It is this program framework that built the Interstate Highway System and has maintained the National Highway System—the backbone of our national network of roads and bridges that drive our national economy.

Rather than altering the Federally-assisted, State-administered nature of the Federal-Aid Highway Program and facing consequences of such disruption, we are prepared to work with Congress to highlight best practices where State DOTs have strong, productive collaborations with local governments and where the transportation planning process is working well. States strongly believe in, and will continue to, consult closely with our important partners in regional and local governments to ensure maximum taxpayer value for the Federal transportation program.

THE BENEFIT TO THE STATES FROM INCREASED FLEXIBILITY

While I mentioned several transportation-related aspects that are distinctive to Iowa at the start of my remarks, the same is true for every other State. This is one reason why the State DOTs regularly share and learn strategies through peer exchanges and best practice discussions. However, the range of approaches utilized by the States is only possible through the flexibility afforded to them from the Federal level.

MAP-21 consolidated the various Federal program categories, which allowed States more options rather than prescriptive direction. This Congressional intent allowed all State DOTs the opportunity to better fashion solutions for the needs of their communities, both rural and urban. The less prescription there is in the Federal program, the more room for creativity and flexibility the States have, which also enables a faster turnaround of funding dollars to important projects. This is important because when that funding is too rigid, more cost is added to the overall job. Minimizing prescriptive language therefore provides States the freedom to construct solutions towards their own unique issues and circumstances. The transportation planning process also provides extensive opportunity for local officials and communities to consult and inform States of their priorities. These priorities are taken into account in statewide plans along with other considerations, including interstate mobility for people and goods.

Increased flexibility also provides States the tools and opportunities to enhance our collaboration with local governments through our planning and programming processes. For example, in Iowa, we took advantage of the increased flexibility of the Transportation Alternative Program funding by allocating the majority of those funds to Iowa's regional and metropolitan planning organizations to let them decide how best to utilize those funds. This further enhanced our State-administered transportation planning process.

The flexibility provided in the Federal program allowed Iowa to be creative in how we addressed supply chain management and how we work with our local partners. These creative approaches work well in Iowa but we recognize that they may not work well in every state. That is why we need to retain State flexibility rather than prescribe a one-size fits all approach for every state. Flexibility allows each state to come up with their own creative solution to their unique set of transportation issues.

CONCLUSION

Rural regions and communities across the United States have urgent infrastructure needs as economic and recreational demands increase. Given this reality, we cannot address our nation's 21st century surface transportation investment needs without reaffirming the strong partnerships that form the bedrock of the national transportation program. State DOTs are using their inherent position between the Federal government and local entities to effectively coordinate funds while working to meet national goals and performance standards required by MAP-21.

My State of Iowa continues to ascertain what amongst our current transportation system is most affordable, and how our agency can improve these elements to optimize our value and efficiency for customers and residents. Keeping Federal program prescription to a minimal amount will allow State DOTs to continue pursuing innovative approaches to address their systems' specific challenges. Committing to these principles will continue to provide much-needed benefits to those in Iowa and elsewhere throughout the country.

I want to thank you again for the opportunity to testify today, and I am happy to respond to any questions that you may have.