STATEMENT OF
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SECRETARY OF TRANSPORTATION
BEFORE THE

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
U.S. SENATE

HEARING ON

CLEAN ENERGY JOBS AND AMERICAN POWER ACT OF 2009

OCTOBER 27, 2009

Chairwoman Boxer, Ranking Minority Member Inhofe, and Members of the Committee:

Thank you for the opportunity to discuss the Clean Energy Jobs and American Power Act. I congratulate you on the difficult work you and your colleagues have undertaken on this bill and your efforts to improve America's economic competitiveness and prosperity, reduce the Nation's impact on climate change, and ensure America's energy security.

Transportation will play a key role in achieving clean energy and climate objectives. I look forward to continued discussions to ensure that comprehensive legislation is passed that advances our clean energy goals, protects our environment for this and future generations, and ensure economic prosperity for all Americans.

The Obama Administration and the Department of Transportation (DOT) consider transition to a clean energy environment and combating climate change a major priority, and the time to act is now. We are committed to generating green jobs, decreasing our reliance on oil, reducing pollution, and creating more livable, sustainable communities. And we are already taking aggressive steps to act on these priorities. For instance, the Administration -- with the full support and involvement of DOT -- is dramatically improving the fuel economy of automobiles, intensifying energy efficiency and renewable energy efforts through the American Reinvestment and Recovery Act of 2009 (Recovery Act), and working through interagency partnerships to build livable and less energy intensive communities.

Transportation both contributes to and is affected by climate change, and I am committed to ensuring that transportation is part of the solution. The Department is focused on substantially reducing transportation's contributions to greenhouse gas (GHG) emissions and adapting to potential impacts on transportation infrastructure. This work includes improving vehicle fuel economy, developing alternative fuels, improving system efficiency and encouraging more sustainable transportation choices, as well as understanding climate impacts and protecting transportation infrastructure. And we are working with other Federal agencies, as well as State and local governments and our transportation stakeholders, to accomplish this critical work.

Because this committee has jurisdiction over both the climate change legislation and surface transportation reauthorization, you will be at the forefront of ensuring that comprehensive climate legislation works in concert with Federal transportation policies and investments. I look forward to working with you on this effort.

We recognize that government leadership at all levels will be needed to transform our transportation system into one that allows Americans to get to work, school, the doctor, the grocery store, or the park without being required to get into a car. To achieve this goal, we will need the most effective tools and strategies possible.

We have much more to do, but we are not waiting to begin taking aggressive and meaningful actions. I am particularly pleased with one of our efforts. In recent months, DOT has been working with the Department of Housing and Urban Development (HUD) and the Environmental Protection Agency (EPA) in an interagency partnership for sustainable communities to develop Federal policies that could help support and shape State and local land use decisions and infrastructure investments to develop livable communities where people have the option to drive less. The promise is that this approach might lower the climate impact from the transportation sector, while also saving American families money and increasing their mobility. Currently, American adults travel a total of 25 million miles a day in trips of a half-mile or less and nearly 60 percent of these are motor vehicle trips. DOT, HUD, and EPA are working together to support the building of more livable neighborhoods with "complete" streets that increase safety and mobility for all users by giving Americans –whether they live in urban, suburban or rural communities--the choice of walking, biking, or riding transit instead of driving motor vehicles. If the presence of these alternatives promotes less driving, then that will reduce road congestion, reduce pollutants and greenhouse gases, and use land more efficiently.

Reducing GHG emissions may be achieved through changing local transportation and land use patterns. For instance, assuming that more travel options and supporting land use would reduce vehicle miles traveled, an EPA analysis found that shifting 10 percent of new housing starts to livable communities over the next 10 years would save Americans roughly 4.95 billion gallons of gasoline. Minneapolis-St. Paul is a good example of the benefits of adopting livability strategies. More walkable and bikeable neighborhoods in the area have the potential to deliver estimated GHG savings from walking and biking equal to the benefits from a shift of 12 percent of vehicles to hybrids. The recently released *Moving Cooler* study, funded by a number of diverse stakeholders, also recognizes the substantial environmental and energy benefits resulting from livable communities. It found that compact development, complemented with pricing strategies and support for alternative transportation modes, could reduce CO_2 emissions by up to 15 percent by 2050. These studies suggest that promoting mixed-use, connected communities has the potential to reduce vehicle miles traveled, and thereby significantly contribute to U.S. carbon dioxide emissions reductions.

DOT, HUD, and EPA are identifying ways to align our agencies' programs to ensure that our spending is effective and leveraged with other public and private investment. We are

consulting with each other on performance measures that will be used to determine the results we can expect from these efforts. We are jointly identifying Federal barriers that impede performance of our programs and will seek to have them removed. We are providing joint technical assistance through EPA's Smart Growth Implementation Assistance Program competition and will collaborate on the implementation of HUD's Sustainable Communities Grants if they are funded in the FY 2010 Appropriations bill. We are also working to enhance the skills of transportation and housing planners, and to develop tools such as an affordability index.

DOT has worked to ensure that livability and sustainability objectives are given significant weight in the new discretionary spending of the Department as part of the Recovery Act. The Transportation Investment Generating Economic Recovery (TIGER) team is currently in the process of awarding $1.5 billion worth of competitive grants for State and local governments for projects with significant long-term impact for the nation, metropolitan area, or region. Criteria for selection include the project's contribution to sustainability and livability.

Additionally, the Recovery Act provided $8.4 billion for transit to support projects in bus and rail car manufacturing, operation and maintenance, fixed guideway improvements, and work that supports the operation of high efficiency buses, among other sustainable transit needs. Selections have been made for $100 million in discretionary grants through the Transit Investments for Greenhouse Gas and Energy Reduction (TIGGER) program with livability and sustainability goals included as project funding criteria.

The Recovery Act also provides $8 billion for high-speed rail corridors and other intercity passenger rail services. The high-speed rail initiative developed by the Federal Railroad Administration seeks to fund a long term program to plan and build a national network of passenger rail corridors. Preferred projects will improve mobility, options, service, convenience, safety, and efficiency, and contribute to economic recovery and development, as well as support environmental equality and livable communities.

Through the Clean Energy Jobs and American Power Act, Congress can help to foster partnerships, encourage cross agency collaboration, and better ensure that livability is institutionalized as a part of transportation decision making.

We also look forward to partnering with EPA, as our agencies work to develop and implement fuel economy and GHG emission standards for medium and heavy trucks. DOT and EPA each have expertise in developing harmonized standards that recognize the dual objectives of reducing consumption of fossil fuels and GHG emissions. DOT and EPA each bring unique expertise that, through collaboration, is likely to result in more rigorous yet achievable standards. And our recent cooperation in proposing harmonized national fuel economy and GHG emission standards for light-duty vehicles and trucks is an example of how the two agencies can successfully coordinate to deliver substantial fuel economy and environmental benefits. Such collaboration can contribute to produce the best possible regulation of mobile sources without imposing undue or conflicting burdens on industry.

Our past success argues for continued cooperation. On May 19, 2009, President Obama announced a historic national policy to reduce GHG emissions and improve fuel economy for all new cars and light duty trucks sold in the U.S. On September 15, DOT and EPA announced a joint proposed rulemaking that would set fuel economy and tailpipe carbon dioxide emissions standards for passenger cars, light-duty trucks, and medium-duty passenger vehicles, covering model years 2012 through 2016. The standards, taken together, would deliver a fleetwide fuel economy standard of 35.5 miles per gallon by 2016. According to EPA's preliminary analysis, the standards, if finalized, are projected to reduce GHGs by approximately 950 million metric tons and save 1.8 billion barrels of oil over the life of the program. The program would reduce GHG emissions from the U.S. light-duty fleet by 19 percent by 2030.

Another way to achieve our clean energy and climate goals is through more effective transportation planning. We would like to work with Congress to support robust transportation planning techniques to target investments to projects that reduce GHG emissions and fuel consumption. One strategy for reducing transportation-related GHG emissions is by integrating transportation planning with housing, land use and water infrastructure planning. As new or additional development is contemplated, considering where people will be located, where they will need to go, and how they should be able to get there, can promote better efficiencies, system performance and lower carbon emissions.

DOT's experience and statutory jurisdiction to implement transportation planning regulations lends itself well to accomplish the transportation planning goals contemplated in the bill. A key mechanism by which DOT can have an impact on climate change is through our role in financing infrastructure and promoting effective transportation planning across the United States, including highways, airports, transit systems, and multi-modal facilities. We have a unique opportunity to shape the transportation infrastructure of the future to promote livability and to reduce the environmental impact of transportation.

State DOTs and metropolitan planning organizations (MPOs) have limited experience with the kind of planning promoted in this legislation. Consequently, we need to make sure the program does not become unnecessarily complex and does provide the most efficient and effective route to reduce emissions. DOT, along with our partners at HUD and EPA, are excited to work with Congress to find the best way to invest infrastructure dollars to decrease GHG emissions and increase mobility and economic vitality – three areas that are inexorably linked.

The Department is already taking a number of other steps to address transportation-related GHG emissions.

DOT's Center for Climate Change and Environmental Forecasting sets priorities for climate change policy analysis and research. One example of the Center's work is *The Impacts of Climate Variability and Change on Transportation Systems and*

Infrastructure. This case study of the Gulf Coast was designed to understand and address the possible effects of climate change on transportation infrastructure and aid transportation decision makers in determining how to account for potential impacts in the transportation planning process. Phase I of the study was completed in 2008 and studied how changes in climate over the next 50 to 100 years could affect transportation systems in the U.S. central Gulf Coast region. Phase II, which was just launched, will explore more detailed information about impacts at the local level. Phase II will be completed in about three years, and will develop guides for transportation planners, including a risk assessment tool to allow decision makers to understand vulnerability to climate change. This important work has already gained considerable interest within the transportation community about planning for transportation investments.

The Center is overseeing preparation of a report to Congress on the impact of the Nation's transportation system on climate change, and solutions to mitigate climate change by reducing GHG emissions from the transportation sector. The report, mandated by the Energy Independence and Security Act of 2007, will identify national policy approaches, evaluate pros and cons, and estimate magnitudes of emission reductions. This research will allow DOT to evaluate the implications of various approaches on other transportation goals. The report results will compare strategic options to reduce transportation emissions and will inform future research and policy development.

The Center's Transportation and Climate Clearinghouse was launched in early 2009 and includes information on GHG inventories, analytic methods and tools, GHG reduction strategies, potential impacts of climate change on transportation infrastructure, and approaches for integrating climate change considerations into transportation decision making.

Additional efforts are underway throughout DOT's operating administrations. The Federal Highway Administration (FHWA) climate efforts include mitigation and adaptation work on improvements to system efficiency, land use, and planning. FHWA is working to evaluate how land use, transportation infrastructure, and policy changes would affect travel activity and GHG emissions. FHWA is also working to develop cost-effective strategies and performance for measuring progress in reducing emissions. FHWA is working with State DOTs and MPOs around the country to address climate change in transportation planning decisions.

FHWA is also developing a strategy to address climate adaptation issues, and a draft framework for conducting risk-based assessments and transportation infrastructure. Guidelines will be developed for consideration of climate change impacts and adaptation in project development and environmental review under the National Environmental Policy Act.

In addition, FHWA has several programs underway to enhance system efficiency by developing and implementing innovative solutions to reduce traffic congestion and its effects on the environment, including: enhanced design and implementation of work zones; quicker response to traffic incidents; improved timing of traffic signals and other

traffic management strategies; provision of information to allow travelers to make informed decisions en route, mode and timing of trips; highway design improvements to remove bottlenecks; and better balancing of supply and demand through congestion pricing where appropriate.

The Federal Aviation Administration (FAA) leads the transformation to the Next Generation Air Transportation System (NextGen). One key NextGen environmental goal is to limit or reduce the impact of aviation GHG emissions on the global climate. To achieve this, a key approach is to more efficiently use the Nation's airspace, which will lead to less fuel use and therefore have a positive GHG and air quality impact. In an effort to reduce fuel burn and other emissions, FAA is developing and improving environmentally friendly procedures covering gate-to-gate, terminal, and surface operations.

FAA is leading work to improve scientific understanding of the impacts of aviation emissions on climate. With participation from the National Aeronautics and Space Administration, the National Oceanic and Atmospheric Administration, and EPA, FAA launched the Aviation Climate Change Research Initiative (ACCRI) to accelerate scientific understanding that will inform policy decisions on mitigation. FAA also launched the Continuous Lower Energy Emissions and Noise Program (CLEEN) to advance maturing engine and aircraft technologies for quick deployment into the fleet in order to increase fuel efficiency and reduce emissions. FAA helped form—and is an active participant in—the Commercial Aviation Alternative Fuels Initiative (CAAFI). CAAFI is a broad public-private collaboration that seeks to develop and deploy alternative jet fuels for commercial aviation which offer reductions in life cycle emissions.

In addition, FAA is conducting research to inform Administration decisions about potential impacts on domestic and international aviation of possible policies and their impacts on the climate change. These policies include aircraft carbon emissions standards, emissions cap and trade, and carbon taxes on aviation emissions.
The unique nature of the aviation sector means that its environmental impacts are not only domestic, but international in scope. To that end, the FAA has also been working with other Federal agencies, including EPA and the Department of State, within the context of ongoing negotiations in the International Civil Aviation Organization to develop a global framework to mitigate aviation's impact on climate change.

The Federal Transit Administration's (FTA) work on climate change falls into two main areas: (1) catalyzing expanded public transportation service and transit-oriented development to reduce overall transportation emissions while providing convenient and economic mobility options; and (2) technology research and deployment that will enable local public transportation agencies to provide their already relatively energy efficient service in an even more efficient manner.

FTA's grants, technical assistance, research, and policy leadership all play a role in the agency's efforts to address climate change. FTA funds public transportation through the

agency's grant programs. FTA also provides technical assistance in planning and transit-oriented development. Combining investment in public transportation with compact, mixed-use development around transit stations creates synergies that amplify the greenhouse gas reductions of each strategy and enhance overall livability and sustainability goals of the Department. FTA's research on alternative fuels and high efficiency vehicles has yielded the introduction of hybrid-electric buses, hydrogen fuel cell buses, and other low emissions technologies. Transit vehicles make ideal demonstration vehicles because of their high visibility and centralized maintenance.

FTA is funding a new synthesis on GHG emission savings from transit through the Transit Cooperative Research Program. FTA is developing a handbook for transit agency managers of low carbon practices and also offers environmental management systems (EMS) training. FTA also has sustainability partnership projects with the American Public Transportation Association and the Association of Metropolitan Planning Organizations.

The Research and Innovative Technology Administration (RITA) coordinates the majority of the Department's surface transportation research on alternative fuels, alternative vehicles, hydrogen fuels and fuel cells, and advanced vehicle technology, all of which address climate change concerns. RITA also works on multiple research projects regarding hydrogen, including finding safe and effective storage materials, testing hydrogen fuel cell vehicles, and training emergency responders on hazardous characteristics of hydrogen.

DOT, in partnership with EPA, will analyze ways to reduce transportation-related GHG emissions while continuing to support efforts to attain air quality and water quality standards, learn more about harm from air toxics related to transportation, and maintain noise reductions. Our climate change research will help us identify the potential co-benefits of mitigation strategies, such as reductions in criteria air pollutants, as well as potential unintended consequences of mitigation strategies, such as increased risks to public health.

DOT is fully committed to reducing energy consumption and greenhouse gas emissions from across the transportation sector. DOT will continue to work with the White House Office on Energy and Climate Change Policy, the other Federal agencies, State and local governments, and the transportation community to identify and pursue the most critical climate change priorities.

DOT is also committed to working with Congress to ensure the passage of comprehensive clean energy and climate change legislation that provides the most valuable tools to achieve the most effective emissions reductions while supporting economic growth and prosperity.

In closing, I applaud your efforts to further the debate and move us much closer to comprehensive and effective solutions. Thank you, and I look forward to answering your questions.