



ENVIRONMENTAL DEFENSE

finding the ways that work

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Subcommittee on Highways and Transit**

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Mr. Chairman, Ranking Member Duncan and members of the Subcommittee, thank you for the chance to testify today. I'm the transportation director for Environmental Defense, a non-profit group. Our half-million members use America's roads and transit systems. I'm here on their behalf to thank you for your efforts to ensure that those systems are operated and developed to not only improve mobility, but also better protect public health and the environment.

We all breath air affected by traffic pollution. We and future generations face the unprecedented problem of global climate change to which our still expanding dependence on fossil-fueled transportation contributes. To achieve the needed 80 percent cut in greenhouse gas emissions by 2050 we must adopt an economy-wide CO2 cap-and-trade system, cut fuel carbon content, boost vehicle fuel economy, and meet our mobility needs with less motor traffic.

Growing congestion and transportation funding problems threaten our economic competitiveness, but new information and communication technologies could help us manage our transportation system more effectively. PPPs and tolls could play a vital role in accelerating this innovation, promoting air quality, public health and greenhouse gas reduction if they are structured right with good public oversight. But these strategies will gain broad public support only if they deliver improved performance and expanded travel choices and if PPP contracts are designed not merely to meet today's weak environmental and system standards, but to ensure superior user, system and environmental performance. My written testimony offers more ideas on this.

Many construction and finance interests support PPP financing and tolls to expand their business opportunities. Many highway user groups oppose PPPs and tolls. People don't like being asked to pay more, especially if they're unsure what it will get them. Environmental Defense has no vested interest in PPPs and tolls but believe

these tools – if properly used - could help reduce environment and public health burdens associated with increasing mobility.

If used just to build more roads faster or relieve short term fiscal problems, PPPs and tolls could increase congestion on existing roads and spur pollution, fuel use, and emissions for years to come. We're seeing a backlash against PPPs and tolls in some states, like Texas, due in part to failure to consider alternatives that could reduce these burdens, together with top-down secretive deal-making. Such issues should be addressed through stronger federal law, regulation, and enforcement of existing environmental and planning laws.

But if this committee is serious about doing something about climate change, it should encourage tolls and PPPs to spur better system management and performance-based pricing on both new and existing roads, and use of PPPs to spur innovative travel demand management and public transportation. It should ensure such efforts are designed to expand access to jobs and public facilities for all without undue time and cost burdens. It should foster reforms in how we fund and price transportation, correcting perverse incentives to consumers and decision-makers that worsen our problems.

States like Oregon are pioneering approaches, such as VMT fees, that could lay a foundation for future transition to more effective system management. Other areas are encouraging pay-as-you-drive car insurance and car sharing initiatives that boost mobility while saving money for consumers who drive less. New York City plans an \$8 charge for cars entering Manhattan to improve transit. London and Stockholm show that a skeptical public initially resistant to such congestion pricing is rapidly convinced by experiencing its benefits in time savings, reliability, and improved transit, walking, and cycling. Germany's Autobahn system charges old, dirty trucks a 50 percent toll premium, accelerating use of newer efficient trucks. Why not apply such approaches to our Interstate system, starting with toll road lease deals? Why not provide contract and funding incentives for infrastructure operators – both private and public - to manage roads to reduce congestion and emissions while rewarding higher throughput of people and goods?

We need your leadership to better align how we raise transportation revenues with broader system management goals. We applaud your concern for the protection of the public interest in PPP deals, but urge you to strengthen the framework to spur more effective private engagement, not stifle it, and to ensure that investment is consistent with state and metro transportation plans and their goals. We look forward to working with this committee in this important effort.

Thank you for your attention.