

**STATEMENT OF
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DEPUTY SECRETARY OF TRANSPORTATION**

**BEFORE THE
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
U.S. HOUSE OF REPRESENTATIVES**

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Chairman Towns, Ranking Member Issa, and Members of the Committee, I want to thank you for the opportunity to appear before you today to discuss the jobs reporting process for transportation programs under Section 1512 of the American Recovery and Reinvestment Act of 2009 (Recovery Act).

Let me begin by sharing information about our progress in implementing this historic legislation. The Department of Transportation (DOT) received \$48.1 billion in resources to support infrastructure improvements and create and sustain jobs throughout the transportation sector. In the 38th week following enactment, DOT has obligated a total of \$30.3 billion on more than 10,000 projects nationwide. Nearly 6,500 projects are underway or completed. The Federal Aviation Administration has issued 321 grants for 99% of the \$1.1 billion provided for airport projects. The Federal Highway Administration has authorized more than \$20 billion in funding for over 8,500 projects representing 77% of the total funds provided to States. The Federal Transit Administration has awarded 700 grants totaling \$8.0 billion and has already reported \$1.2 billion in outlays. The Maritime Administration's Small Shipyard grants have been awarded to 70 separate projects.

In addition, work is underway to prepare for the award of the \$8 billion the Recovery Act provided for High Speed Passenger Rail. The applications process has closed and the Federal Railroad Administration has been reviewing and evaluating all of the applications received. On a parallel track, we are internally reviewing the applications for the \$1.5 billion provided to the Department in Discretionary Grants. We expect to award these grants ahead of the February 17th deadline. Overall, the Department has made substantial progress in implementing the Recovery Act and the Secretary and I are very proud of these accomplishments.

Recovery Act funds are improving our transportation infrastructure while putting people back to work in cities and counties throughout the Nation. As I travel around the country, I have talked with construction workers who have shared with me how difficult it was before being employed on Recovery Act projects to provide for their families.

This program has been an economic lifeline for people like Brandon Nesler, a construction site foreman from Wisconsin who was laid off last year after 18 years of

service, until a Recovery-funded project put him back to work full-time overseeing grading work on I-94.

Alison Barber, a new college graduate with a degree in construction management, had few job prospects until a construction company hired her as a full-time foreman on a major road project in Colorado.

These workers, and many thousands like them, can look forward to a paycheck and ensure that their families have the resources they need.

There's no question the Recovery Act is working as intended, putting Americans to work while making long-term investments in our infrastructure. Equally important is DOT's commitment to ensuring that all funds are spent wisely, that the program meets all Federal reporting requirements, and that we are able to share accurate information with the American people about our progress.

The Recovery Act requires, among other things, that funding recipients provide independent reports of the numbers of direct jobs created or retained and other project-related information. Recipients are also responsible for reporting direct jobs from any sub-recipients (for example, sub-contactors in the case of construction projects). Section 1512 of the Act requires recipients to report this information as of September 30, 2009 and then again at the end of each subsequent quarter through Fiscal Year 2010.

Given that this reporting process was new for the recipient community, the Department of Transportation began an outreach effort to assist its recipients with understanding and implementing the reporting requirements. DOT staff reached out to State Departments of Transportation, affected Transit and Airport Authorities, shipyard recipients, and Amtrak to assist them in understanding the reporting guidelines provided by the Office of Management and Budget. DOT staff engaged with their respective stakeholders to provide clarifying information. We also conducted a series of webinar and other training sessions to provide recipients with information needed to comply with the Section 1512 requirements. DOT staff confirmed that the recipients could properly register in the reporting system and provided troubleshooting services to those encountering difficulty. Our technical assistance effort focused heavily on the OMB methodology for counting jobs to make sure those entering data understood the information being sought. DOT staff continued to provide support to the recipients until the reporting database was closed on October 20th. Even before the official deadline was reached and continuing until October 29th, DOT staff reviewed the data for obvious errors and omissions. While DOT staff could not directly correct the data, they contacted recipients about potential problem areas so that as many corrections as possible could be entered before the reporting system was closed.

As a result of these efforts, the grantee recipient community for DOT reported 45,250 direct jobs created or retained so far. Contractors reported more than 1,000 additional jobs. More than 96% of the recipient community successfully reported their data in the reporting system. The majority of those who did not report encountered

problems with accessing the reporting system. To our knowledge there were no transportation-related noncompliant recipients.

We did identify one serious error in the process. One State Department of Transportation erroneously coded its reports to the Veterans Administration rather than to DOT. Furthermore, two States submitted a single 1512 report for all their ARRA projects. This error accounts for 831 projects of the 924 missing project reports expected in the Federal Highway Administration's recipient community.

Overall, we are pleased with the initial Section 1512 reporting and anticipate even more success in future quarterly reporting. We are in the process of contacting the recipient community to identify any difficulties that could be addressed in the next reporting cycle. In addition, we are asking for their help in identifying recommended process improvements and "lessons learned" to simplify future reporting.

As we begin planning for the next Section 1512 reporting cycle in January 2010, we will build upon our initial training and outreach efforts to help ensure success with the future recipient reporting endeavors.

This concludes my testimony and I will be pleased to answer your questions.

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