

**HEARING ON THE NOMINATION OF THOMAS
J. MADISON, JR., TO BE ADMINISTRATOR OF
THE FEDERAL HIGHWAY ADMINISTRATION FOR
THE DEPARTMENT OF TRANSPORTATION**

HEARING
BEFORE THE
COMMITTEE ON
ENVIRONMENT AND PUBLIC WORKS
UNITED STATES SENATE
ONE HUNDRED TENTH CONGRESS
SECOND SESSION

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JULY 30, 2008
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ONE HUNDRED TENTH CONGRESS
SECOND SESSION

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**HEARING ON THE NOMINATION OF THOMAS
J. MADISON, JR., TO BE ADMINISTRATOR OF
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FOR THE DEPARTMENT OF TRANSPORTATION**

THURSDAY, JULY 30, 2008

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, DC.

The full committee met, pursuant to notice, at 3:15 p.m. in room 406, Dirksen Senate Office Building, Hon. Hillary Rodham Clinton presiding.

Present: Senators Clinton, Inhofe, Cardin, Voinovich. Also present: Senator Schumer.

**OPENING STATEMENT OF HON. HILLARY RODHAM CLINTON,
U.S. SENATOR FROM THE STATE OF NEW YORK**

Senator CLINTON. We have before us today the nomination of Tom Madison to be the Administrator of the Federal Highway Administration at the Department of Transportation.

Of all the things that are going on in the Capitol today, this may be one of the most important to the lives of 300 million Americans. Because clearly, the upkeep of our highways, our mass transit systems, our bridges, our tunnels, is a matter that we all live with each and every day.

This Friday will mark the 1-year anniversary of the bridge collapse in the Twin Cities in Minnesota. And this tragic event served as a wake-up call that our Nation's transportation infrastructure is rapidly deteriorating.

But it is unfortunate that 1 year later, we have yet to take the kind of bold, necessary steps to invest in our crumbling infrastructure and to ensure the safety and efficacy of our transportation system. The National Surface Transportation Policy and Revenue Study Commission estimates that \$225 billion each year is required—we have been joined by Senator Schumer. Welcome.

It has been estimated that \$225 billion each year is required to meet the Country's transportation infrastructure needs. We are currently spending at 40 percent of that level, which means that with each passing day, we fall farther and farther behind. One in four bridges in our Country are either functionally obsolete or structurally deficient. Usually built to last 50 years, the average bridge in our Country is 43 years old. And the cost to repair or modernize the Nation's bridges is \$140 billion.

All you have to do is look at the costs associated with raw materials, steel, asphalt, concrete and earthwork. Those costs have risen by 50 percent in the past 5 years, so it is even more difficult to build and maintain our existing structures. And the Highway Trust Fund will likely have a \$5 billion shortfall.

Now, on a very parochial basis, I am deeply concerned for what this infrastructure crisis means for New York. As a New Yorker and a former Commissioner of the New York State Department of Transportation, Mr. Madison is well aware of the unique, unparalleled and growing transportation needs of our State. New York's transportation system includes 240,000 miles of highway, 17,400 bridges, 130 public transit systems, a 4,800 mile rail network, 485 public and private aviation facilities, and 12 major public and private ports.

New York City's mass transit system alone handles nearly one-third of the Nation's transit passengers. That means it provides 8.5 million rides each day and over 2.6 billion rides each year. Important parts of our infrastructure, like the Brooklyn Bridge and the New York City subway system, are more than a century old. And in our State, 38 percent of our bridges are classified as structurally deficient or functionally obsolete. That may not necessarily mean that the bridge is unsafe to travel on, but it sure means it requires repairs.

So I am just talking about one State. And we could multiply that 50 times over. Our needs are great and growing. We cannot continue to rely on the investments of past generations while foregoing investments in our infrastructure to serve future generations. What is required is decisive action and leadership. I have long championed innovative measures to fund our Nation's infrastructure. I am a co-sponsor of the National Infrastructure Bank Act of 2007, which establishes a federally backed independent entity that will evaluate and finance large infrastructure projects of regional or national significance.

After the Minnesota bridge collapse, this Committee passed legislation that Senators Voinovich, Carper, Coleman and I introduced, called the National Infrastructure Improvement Act, which establishes a national commission on the infrastructure of the United States. We all know that this Committee will be prepared to take up the next version of the Highway Bill next year. We need to begin that process now.

There are a lot of serious questions that we will address with this nominee over the course of this hearing. But I am delighted that Mr. Madison is here, very pleased that the President has nominated him for this critical position, and looking forward to his testimony and his answers.

I would like now to turn to my colleague from New York, Senator Schumer.

**OPENING STATEMENT OF HON. CHARLES SCHUMER,
U.S. SENATOR FROM THE STATE OF NEW YORK**

Senator SCHUMER. Thank you, and I want to thank you, Senator Clinton, for the great work you have done for New York and for the Country on this Committee and in so many other areas, and for your statement, which is on the money, as usual. I also want

to thank our former New Yorker and friend, Chairwoman Boxer, for holding this hearing as well, and welcome, of course, my colleague from Maryland, Senator Cardin. He has visited New York on many occasions. I have asked him to do so on many occasions as well.

In any case, it is good to be here. I want to thank the Committee for allowing me as a non-Committee member to speak and giving me the honor of introducing Thomas Madison, Jr., before he is confirmed to be the Administrator of the Federal Highway Administration.

As Senator Clinton has so acutely pointed out, transportation needs have reached a critical point in our Nation's history. It is imperative that our Nation's aging highway infrastructure be adequately maintained and kept in a good State of repair. The Federal Government can't sit on its hands, it must expand its involvements in such efforts. And it is not too late for this Administration to make the right moves to get us back on the right path. I would say that this nomination is one such move, and I am so glad that Mr. Madison was nominated.

The condition of our Nation's infrastructure is not only a central part of our economic well-being, but critical to our personal safety. The State of our Nation's infrastructure is not something we can be proud of. Many of the roads were built in the period right after World War II in the 1950's and 1960's and sort of left alone, and it is 50 years later, and now a massive job to make sure that they stay in tip-top shape is needed. We know just looking at the I-35 deck truss bridge in Minnesota, we know that hasn't been done in too many places.

So I am pleased to present Mr. Madison to the Committee, and I voice my support on behalf of his nomination to Federal Highways. I know that he prioritizes transportation infrastructure, and his impressive resume demonstrates his readiness to face many challenges he will face. Thomas Madison is a native of Binghamton, New York, a graduate of the State University at Geneseo, one of the finest undergraduate schools, really, in the Country. In Binghamton, he served for 2 years as deputy Broome County executive, and then served as Governor George Pataki's regional representative before moving to Albany as the Governor's deputy appointment secretary.

Mr. Madison continued in his career in public service as the executive deputy director of the New York State Consumer Protection Board, then director of State and Local Government Affairs for the Governor. After serving as Deputy Secretary to the Governor for Transportation, he was appointed Commissioner of New York State Department of Transportation. And it was in this position Mr. Madison so instrumentally laid the groundwork for the future of transportation in New York State, which, as Senator Clinton noted, is home to 237,000 miles of highway lane and 17,500 bridges.

Mr. Madison can tout the Rebuild and Renew New York Transportation Bond Act of 2005, a \$2.9 billion statewide initiative that targeted the rebuilding and improvement of the State's highway and bridge network and mass transit transportation systems, as well as fund airport, rail freight and port projects. And this 5-year strategy for New York State's transportation was decisive in ensur-

ing our State's ability to keep roadways safe while expanding public transportation.

I should note that for part of the time that Mr. Madison was State Highways Commissioner, my wife was the city head of the DOT, and spoke, when I asked her about Mr. Madison, she spoke very highly of him, and she is a tough, tough grader.

Nationally, we face needs similar to New York's, as I mentioned before, the collapse of the deck truss bridge in Minnesota was a bellwether of the condition of bridge stock in this Country. Similarly, we are facing complex new problems in transportation funding, as our trust fund depletes at an alarming rate and energy prices continue to skyrocket.

On a personal note, Mr. Madison is also a former member of the Peace Bridge Authority Board in Buffalo, New York, where he was a vocal proponent for the construction of a signature bridge spanning the city of Buffalo and southern Ontario. Senator Clinton and I are advocates for such a bridge. It actually was first proposed by Senator Clinton's predecessor, Senator Moynihan, as a great thing for Buffalo. We have been working long and hard to make this happen, and we are getting close.

I have spoken to Mr. Madison, and he knows of our great concern about having a review process that is too long and too lengthy. He has assured me that he both supports the signature bridge and wants to move the process forward as quickly and as smoothly as possible. That is a major plus for me, because we have been working with your acting Administrator, who has been doing a good job trying to help us, but we have to get this done by September. The Peace Bridge is a crucial link in commerce and tourism between the U.S. and our Canadian neighbors.

For those reasons, we are eager to continue talks with Highways and U.S. Fish and Wildlife Service to see that the city of Buffalo and western New York get the magnificent structure it so deeply deserves. I can assure you, Mr. Madison, that Senator Clinton and I want you to get in there soon so you can help move this process forward.

I am confident that Mr. Madison's acute awareness of the need to invest in strategic and innovative transportation infrastructure planning will make him a worthy Administrator of Federal Highways. Once again, I thank Chairman Boxer, Ranking Member Inhofe, Senator Clinton and all of my colleagues for holding this hearing and efforts to expeditiously confirm Thomas J. Madison, Jr. of New York to be the Federal Highway Administrator.

Thanks very much for your time.

Senator CLINTON. Thank you very much, Senator Schumer.

Now we turn to Senator Inhofe.

**OPENING STATEMENT OF HON. JAMES M. INHOFE,
U.S. SENATOR FROM THE STATE OF OKLAHOMA**

Senator INHOFE. Thank you, Madam Chairman.

I also don't really need to talk that long. I am really impressed with this guy. We had a chance to come by and talk to him, and learn of his interest. We are dealing with something here that is really not partisan. So many things in this Committee are, this is not.

We have a crisis out there. I think we know what has happened to the Highway Trust Fund, the receipts that are down. We are going to have to do something about it, and we are going in right now to do a lot of the preliminary stuff for the 2009 reauthorization bill. So for this reason, I really believe that Mr. Madison is the right one for the job, the right background. We need to get him confirmed, in my opinion, prior to recessing.

So I think that I agree with everything that was said by Senator Schumer, in this case, and also that we have problems in Oklahoma that are really serious. The other day, I think it was USA Today that showed the condition of the roads nationwide, and Oklahoma is now dead last. It used to be second from the bottom to Missouri.

So we have a lot of things that need to be done. Senator Boxer and I authored a letter signed by 68 other Senators urging immediate action on these problems dealing with the shortfall. And you and I talked about that in my office, so I think we will try to get this done.

Thank you, Madam Chairman.

Senator CLINTON. Thank you very much, Senator Inhofe.

Senator CARDIN.

**OPENING STATEMENT OF HON. BENJAMIN L. CARDIN,
U.S. SENATOR FROM THE STATE OF MARYLAND**

Senator CARDIN. Thank you, Madam Chair.

Mr. Madison, welcome. We look forward to your testimony and we thank you for your public service.

Madam Chairman, I ask that my entire statement be made part of the record.

Senator CLINTON. Without objection.

Senator CARDIN. Let me just emphasize a few points. I agree with Senator Inhofe, we have a real funding problem. I will be interested to hear how you intend to provide the leadership so that we can meet our transportation highway needs.

I would just urge you that we need a highway administrator who is going to provide the independent judgment as to how realistic our funding sources are in meeting our goals. I look forward to your testimony to give us that type of assurance that we are going to get the best information, so that we can make the right policy decisions.

I am also interested in your views as to how you work in coordination with the other agencies and programs involved in our transportation strategies in this Country as it relates to quality of life, as it relates to the environment, as it relates to an energy policy for our Country. In Maryland, the vehicle travel miles increased by 17 percent between 1998 and 2006. There is 56.6 billion miles traveled. So highways are very important to the quality of life in Maryland.

The good news in this increase is that the number of vehicles with a single operator have declined, which means we are being more efficient in our transportation. But we have to get more people into public transportation. We need to do that for many reasons. I would be interested as to how you view your position as it

relates to an overall strategy for our Country in the goals that we are attempting to meet in public transportation and in energy.

Last, let me just mention the environment. This is the Environment and Public Works Committee. We know that transportation has a direct impact on global climate change and other environmental issues. Our automobiles add greatly to the pollutant problems. Highway construction adds to the runoff issues. I would be interested as to your sensitivity as we deal with the highway program how we also are going to be sensitive to the environmental consequences of those actions.

So I hope that during the course of this hearing we will have a chance to hear your views on these and other subjects. I thank you, Madam Chair.

Senator CLINTON. Thank you, Senator Cardin.

Senator Voinovich.

**OPENING STATEMENT OF HON. GEORGE V. VOINOVICH,
U.S. SENATOR FROM THE STATE OF OHIO**

Senator VOINOVICH. Thank you, Madam Chairman.

First of all, thanks for this hearing. I want to welcome you, Mr. Madison, and thank you for your willingness to serve. It is just a short while, but you are coming in and picking up the baton. It is real important, thank you.

I also want to thank your family for the sacrifice that they are going to make for you to serve here.

I know you have extensive experience dealing with transportation infrastructure. I am particularly impressed with the extent of your management experience. I believe your experience both in the public and private sectors will serve you well in this position, and I was glad to hear part of Senator Schumer's testimony.

I appreciate the opportunity to discuss with you one of the most significant challenges facing our Nation, the maintaining of our aging transportation system. I have always said that if we don't develop a new infrastructure of competitiveness, this Nation is not going to be able to guarantee to our children and grandchildren the standard of living and the quality of life that we enjoy. One of the areas where we have really fallen down is the area of our physical infrastructure.

I am really interested in it because of the State of Ohio. As you know, Ohio is sometimes referred to as the Nation's crossroads. We are the tenth largest highway network, the fifth largest volume of traffic, the fourth largest interState system and the second largest number of bridges of any State in the United States. This bridge issue is really a big deal.

Throughout my career, I have worked to increase funding for our highways. During consideration of SAFETEA-LU, I pushed for increased funding because I was concerned that the total funding levels were well below what was appropriate and necessary for the Nation's infrastructure needs. Even the Federal Highway Administration, at that time, acknowledged that it wasn't enough money to get the job done. And I said that, in effect, what we would do is we would fall behind during this period of time.

And as you well know, we have fallen behind. The money has evaporated because of the cost of oil and also the cost of steel. And

as you know, we have a projected shortfall of about \$3.1 billion. I think one of the things that you are going to have to get on right away is to make sure that money is found, so that we can go forward. I think you know that highway projects are being canceled, and States and locals have had to step up and assume more of the financial burden. They are doing it at a time when a lot of States are in bad financial shape, not as bad as ours, but pretty bad.

I look forward to hearing your ideas for addressing the shortfall and your ideas on ensuring that enough funding is being invested in our highways infrastructure. I think Senator Cardin's statement about public transit is also extremely important, somehow it gets left out in so many of these considerations.

Earlier this year, I think you are aware, the National Service Transportation Policy and Revenue Study Commission released a report entitled Transportation for Tomorrow. The commission found that the Nation is outgrowing the current surface transportation system, threatening passenger and freight mobility and our economic competitiveness. I believe our failure to invest in improvements necessary to keep pace with our growing population and increasing demands remains a significant roadblock in the way of moving our economy forward. American businesses cannot compete globally without strong infrastructure at home.

The commission also pointed out that on average, major transportation projects take almost 13 years to complete. I have to say that I have watched a lot of the projects, and there are some techniques that you can do to move them ahead. I know we had one several years ago in Cleveland and they said it wouldn't get done, and we got everybody together. You know what I am talking about, getting everybody and trying to get them on the same team.

But the fact of the matter is, it just takes too doggone long for us to get something going. If you could kind of look at that system during this period of time and come back and recommend to us, because we are going to be doing a highway bill next year, and how you think we can streamline that process so it doesn't take so much time, it would be most appreciated.

The other thing, too, is after you get over there, this Committee really hasn't gotten started looking at the next highway bill. I know Representative Oberstar over in the House has had many hearings already and he is already thinking about it. I think you ought to encourage the Senate to get going and doing some preliminary work so that next year we can get at it right away, and we are not going to have a situation where we don't pass the highway bill on time, and we did what we did last time, it laid over for about a year.

So set some goals and leave your mark.

Senator CLINTON. Good advice. Thank you, Senator.

Now we turn to our witness, Mr. Madison.

**STATEMENT OF THOMAS J. MADISON, JR., NOMINATED BY
THE PRESIDENT TO BE ADMINISTRATOR, FEDERAL HIGH-
WAY ADMINISTRATION**

Mr. MADISON. Thank you very much, Madam Chairman Clinton, Vice Chairman Inhofe, members of the Committee. Thank you for

the opportunity to appear before you as you consider my nomination as Administrator of the Federal Highway Administration.

I am deeply honored by the confidence the President has placed in me as his nominee for this important position, with concurrence, of course, from Transportation Secretary Mary Peters. If confirmed, I will work closely with you to understand your perspectives and respond to your priorities regarding our Nation's Federal Highway Program.

It is a particular honor that both New York Senators are in attendance today. Senator Schumer, thank you very much for the gracious introduction, and Senator Clinton, thank you very much for all your help and support. New Yorkers and all Americans should be thankful for the representation that you give us all.

I want to also recognize my amazing family that is here behind me, my wife Tracy, my children Morgan and Brooks, who you should be fortunate are not here at six and 4 years old. It would be lively. My parents, Pat and Tom Madison, and my in-laws, Kathy and Pete Manzo. Their steadfast love and support has made it possible for me to sit before you today.

Senator INHOFE. We don't know which ones they are, would they raise their hands?

Mr. MADISON. Thank you, Senator.

We meet today as believers in America's rich and important transportation legacy. I am very appreciative of the leadership our governments have provided in moving freight and people with efficiency and innovation.

A half century ago, Dwight D. Eisenhower created the national highway system that transformed America from a Nation of streets and roads to one of highways and interstates. President Eisenhower envisioned a vital network linking ports and airports, stimulating an agricultural and manufacturing economy, fostering new business growth, encouraging tourism and exploration, and mobilizing our troops and equipment for our national defense.

Today we are the stewards of what was conceived and built before us, even as we pursue that new vision for a future of our Nation's transportation infrastructure that we can all be proud of. I am very proud personally to be considered for participation in that dialog.

Many years of work in State and local government and in the private sector have provided me with the skills, knowledge, and qualifications necessary to perform the duties of Federal Highway Administrator. If confirmed, I am confident that my executive management background, my strong work ethic and my passion for these transportation issues will help me effectively lead the FHWA.

Throughout my career, positions of increasing responsibility and complexity have taught me about the role of government at all levels and given me a strong sense of civic purpose. I have experienced professional growth, enjoyed great personal reward and in every assignment I have always redoubled my commitment to the tenets of public service.

This was especially true during my tenure as chief transportation advisor to the Governor of New York and later as the State's transportation commissioner. In those roles, I oversaw New York's vast transportation system, including port and aviation facilities,

freight and passenger rail services, local transit providers, bicycle and pedestrian programs, and as you have heard already, 240,000 lane miles and 17,400 bridges.

Deep involvement with transportation and infrastructure has strengthened my belief that these are among the Nation's most important matters to be considered by our Government. While this Committee regularly engages in complex transportation issues, the significance of our Nation's roads and bridges is all too often overlooked by other policymakers and taken for granted by the public.

If confirmed, I believe my desire to raise awareness about the vital role of our transportation system and America's environmental sustainability, national security and economic competitiveness will serve the position well. I am excited to meet the challenges and seize the opportunities that lie ahead, even during the closing months of this Administration. Pursuing congestion relief initiatives, improving mobility and reliability, enhancing safety, and exploring new ways to maintain, operate and expand our system are critical areas that must be considered and addressed.

With transportation reauthorization upon us, how to pay for the growing needs of our aging system is also of paramount concern. As funding becomes more constrained and projects grow geometrically more expensive, we must accept the reality that the traditional pillars of Government transportation financing are no longer sufficient. I hope we can work together to examine new ways of designing, maintaining, expanding and funding our system and provide a seamless transition to future stewards of the Federal Highway program.

I am honored to be considered for this important position, and if confirmed, I will work tirelessly and faithfully to execute the duties of Federal Highway Administrator.

Thank you very much for your time and consideration. Now I am anxious to answer any questions you might have. Thank you.

[The prepared statement of Mr. Madison follows:]

**Statement of
Thomas J. Madison, Jr.
Administrator - Designate, Federal Highway Administration
Before the
Committee on Environment and Public Works
United States Senate**

July 30, 2008

Madam Chairman and Members of the Committee, thank you very much for the opportunity to appear before you as you consider my nomination to be Administrator of the Federal Highway Administration. I am deeply honored by the confidence President Bush has placed in me as his nominee for this important position, with concurrence from Transportation Secretary Mary Peters. If confirmed, I will work closely with you to understand your perspectives and respond to your priorities regarding our nation's Federal highway program.

It is a particular honor that both New York Senators are in attendance today. Senator Schumer, thank you for your gracious introduction, as well as Senator Clinton, I thank you both for all of your help and support. New Yorkers and all Americans are blessed to have your representation in the United States Senate.

I also want to recognize my amazing family, including my wife Tracy, my beautiful young children Morgan and Brooks, my parents Pat and Tom Madison, and my in-laws Kathy and Pete Manzo. Their steadfast love and support has made it possible for me to sit before you today.

We meet today as believers in America's rich and important transportation legacy. I am very appreciative of the leadership our governments have provided in moving freight and people with efficiency and innovation.

A half-century ago, Dwight D. Eisenhower created a national highway system that transformed America from a nation of streets and roads to one of highways and interstates. President Eisenhower envisioned a vital network linking ports and airports, stimulating an agricultural and manufacturing economy, fostering new business growth, encouraging tourism and exploration, and mobilizing troops and equipment for our national defense.

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This was especially true during my tenure as chief transportation advisor to the Governor of New York, and later as the state's Transportation Commissioner. In these roles, I oversaw New York's vast transportation system, including port and aviation facilities, freight and passenger rail services, local transit providers, bicycle and pedestrian programs, 240,000 lane miles, and 17,400 bridges.

Deep involvement with transportation and infrastructure has strengthened my belief that these are among the most important matters government must consider. While this committee regularly engages in complex transportation issues, the significance of our nation's roads and bridges is too often overlooked by other policy makers and taken for granted by the public.

If confirmed, I believe my desire to raise awareness about the vital role our transportation system plays in America's environmental sustainability, national security, and economic competitiveness will serve the position well.

I am excited to meet the challenges and seize the opportunities that lie ahead, even during the closing months of this Administration. Pursuing congestion relief initiatives, improving system mobility and reliability, enhancing highway safety profiles, and exploring new ways to maintain, operate, and expand our system are critical areas that must continue to be deliberated and addressed.

With transportation reauthorization upon us, how to pay for the growing needs of our aging system is also of paramount concern. As funding becomes more constrained and projects grow geometrically more expensive, we must accept the reality that the traditional pillars of government financing for transportation infrastructure are no longer sufficient. I hope we can work together to examine new ways of designing, maintaining, expanding, and funding our system and provide a seamless transition to the future stewards of the Federal highway program.

I am honored to be considered for this important position and, if confirmed, I will work tirelessly and faithfully to execute the duties of Federal Highway Administrator.

Thank you very much for your time and consideration, and I am anxious to respond to any questions you may have.

Senator CLINTON. Thank you very much, Mr. Madison, for that excellent statement. And thank you, Senator Schumer, for joining us to introduce our witness.

I want to take the opportunity to ask the first question about that we all view as a crisis. As you know, the Highway Trust Funds are expected to hit a \$3.1 billion shortfall in 2009, but new estimates are that it will increase to over \$5 billion. We know the American public is driving less, resulting in fewer dollars going into the Trust Fund, which could hasten the shortfall even more.

Now, the Administration has proposed a short-term fix to the Trust Fund by transferring \$3.2 billion from the mass transit accounts. Now, the mass transit accounts are supposed to be facing their own solvency crisis by Fiscal Year 2011 or possibly sooner, since now more people are using mass transit. So we have a set of problems that are interlocked.

At the same time, the Congress has proposed legislation to transfer \$8 billion in general revenue to the Highway Trust Fund, but the Administration does not approve of that and has threatened to veto it.

So could you share with us your views about this short-term crisis of the shortfall in the Highway Trust Fund, the Administration's proposal to transfer money out of the mass transit account, and the congressional suggestion through legislation that has been introduced to try to get general revenues? Because we all know that if we don't shore up the Trust Fund now, States could lose about \$14 billion, and that would mean they would have to not only postpone and stop projects, but we would lose close to 380,000 jobs. I think New York State alone would lose \$430 million.

So Mr. Madison, would you address these two interlocking problems and give us your views?

Mr. MADISON. Certainly. Thank you for the question, Senator Clinton.

And I am glad of the way you framed it, we have a short-term issue that we need to talk about, but it is symptomatic of the much larger problem that we have all touched on here this afternoon. I don't think that there is an easy answer or a specific individual answer to plugging a funding gap, whether it is the short-term one that we are confronted with now, or looking beyond the end of this reauthorization period, trying to come up with new and different ways to finance the system.

I think as I have mentioned to you previously, I believe that the Administration's proposal has merit in that it takes a transfer on an as-needed basis from another transportation fund that at least through 2009 is projected, the transit side is projected to have a fund balance at the end of that period.

So on an as-needed basis, I think it may be reasonable, again, as a short-term solution, to consider that as-needed transfer of funds, which, I believe the proposal is such that those funds would be repayable advances.

But there is certainly also merit in looking at other potential solutions in combination with that. There isn't a singular answer. I think that the \$3.2 billion gap that has been referenced is anticipated by some calculations to grow beyond that number. So it is something that I hope to delve into more deeply and specifically,

and if confirmed, I pledge to work with you and all of you on this Committee to identify what the best solution is, short-and long-term.

Senator CLINTON. Thank you, Mr. Madison. We look forward to that, because obviously it is a looming crisis.

Mr. Madison, I know you are well aware of the issues surrounding the Peace Bridge in Buffalo. For the past few years, there has been a lot of discussion about shared border management at the site of the Peace Bridge. There are some estimates that shared border management would save time and as much as \$100 million in the construction of the new plaza and bridge at the Peace Bridge.

As a former member of the Peace Bridge Authority, you know how desperate we are to get this bridge built. As Senator Schumer said, my predecessor, Senator Moynihan, when he served on and then chaired this Committee, was a great advocate of the signature bridge. That has been a long time, since he started that advocacy.

Do you believe that shared border management would be the best solution for the site of the Peace Bridge? And whether you believe that or not, what do you think would be the best plan to ease congestion at the border and deal with the challenges that will be presented to the Peace Bridge Authority if we move forward in the absence of shared border management?

Mr. MADISON. Thank you, Senator.

I was a member of the Peace Bridge board. I was very much in tune with all the specific issues and proposals at that time. I have followed it less closely in the intervening years. However, you are exactly right, it is a critically important trade route with our largest trading partner. There are major congestion issues along the border there. It is a process that has taken a very, very long time to resolve itself.

On the shared border management issue, I know that one of the alternatives in the environmental process remains a shared border management scenario. In fact, the way the footprint is currently configured and the way that, I don't know if you would call it temporary, but the current Customs process is working. It includes kind of a modified version of shared border management.

It is another issue that I would really need to roll up my sleeves and get into more specifically and understand the dynamics and what role the Federal Highway Administration would play in a solution there. I also know, Senator, at least it is my understanding, that one of the primary problems with shared border management right now lies with the Department of Homeland Security and its reservations about some of the interplay between our two borders and police enforcement issues, et cetera. So it is a critically important issue and one that we need to address quickly.

I would like to State, as Senator Cardin mentioned, the first word of your Committee is environmental. I would in no way propose that we short-circuit an environmental process. But it is an environmental process that has been in existence for a long time, and many, or most of the issues I think have been vetted pretty clearly. I know there is an issue with the signature structure selection and I can pledge to you that I will work with folks at the Peace Bridge as well as Federal Highways to understand what

those concerns are, what Fish and Wildlife has expressed in terms of its reservation and see if there is a solution that we can come up with in the short term.

Senator CLINTON. Thank you very much.

Senator Inhofe.

Senator INHOFE. Thank you, Madam Chairman.

Several things have been mentioned so far, perhaps on transfers being made. An interesting thing about this \$8 billion transfer, and I think Senator Clinton and I would probably, I don't know whether she would support it or not, I would support it, is that if you look back historically, and this young lady behind me was with me for 8 years, we date all the way back to the middle 1980's on the transportation committees in the House and now here. So we have watched this as it has taken place and gone through this kind of a transition where we used to have more than enough to take care of the needs. As you pointed out, this has been going on since the Eisenhower Administration, and it seemed to work fine until just fairly recent years.

It was during the Clinton administration that, at that time we had huge surpluses. I can't criticize President Clinton for his effort, although I remember being on the floor when that happened, taking the \$8 billion out of the surplus and putting it in the General Fund. That was part of the Balanced Budget Act of 1998.

But I objected to that at that time, because we were all looking at what might be happening in the future, about the increase in congestion. We were not really addressing everything properly. So I tried to convince the White House, I said, we are actually trying to reverse something that in my opinion shouldn't have taken place before. As far as the mass transit account, I know that we would differ up here geographically. We have different ideas about what to do on that.

But this doesn't solve the problem. What we recognized in 2005 in the reauthorization bill, and we put stuff in there saying we are going to study this, because we know that we can't continue to rely on the Highway Trust Fund through the normal taxation system, not dreaming that we would end up having the increase in gas tax that would cause the decrease in revenues. But that is where we are today.

And you and I talked in my office about all the ideas they have, and there are different experiments that are going on right now. I know in Texas, Ohio, they are trying some things in Ohio, in Virginia on non-truck lanes and a lot of other places where they are talking about putting tolling on right-of-way of existing highways, a very controversial thing and people are going to be upset about it. We have to solve the problem.

The partnership ideas, to me, are really worth looking at. Because you have to have an infusion, in my opinion, of private funding where they see there might be an opportunity for the free enterprise system to work, and let's look at all these things.

When we were having our meeting, we had a hearing on this, Senator Boxer said, and I was surprised to hear her say it, but it made sense to me, that if you go back historically and look at the amount of money that comes into the Highway Trust Fund, that was to take care of maintenance and take care of some bridges,

which is my major concern right now. And maybe we should go back to its original concept and have all these other things, whether it is mass transit, environmental, safety and all these things, come from a different funding source. And let's see where they measure up in terms of public support to let that happen.

So these are all things that we talked about, but we don't have any solutions, as you and I talked about in my office. I think it would be appropriate to pursue that a little more than we already have in this hearing, yet I am not expecting anything to really come out right now on the solution. But we have to face it, because it is a crisis today that wasn't there 10 years ago. We have to recognize that and do something about it.

So having looked at these options, the three that I outlined, any of them or all of them look worth pursuing to you?

Mr. MADISON. Short answer, yes, Senator. Absolutely. I believe that we have a very historic opportunity before us right now, and it is one of the reasons I am so excited to be considered for participation in the dialog, because we are at the threshold of this new reauthorization of how we finance our transportation infrastructure.

There has to be a real departure from the way that we have done things in the past. I think we need to consider innovative financing mechanisms like you referenced, public-private partnerships, congestion pricing alternatives and motor fuel taxes, which have been part of those traditional Government pillars that I mentioned in my opening statement, are always going to be a part of our funding system, I believe.

We need to expand our view and have an honest dialog about what it means to infuse private equity capital into our system, whether it is through concession agreements or other options. I think part of it, frankly, is an educational process. I found, at least while serving in New York, we were in the process of negotiating a new multi-year capital program and at the same time we were promoting a \$2.9 million bond referendum.

It was pretty compelling to me that once you sat down with stakeholders and you explained the importance of our infrastructure and our highway system to every aspect of people's lives, to our environmental sustainability and our economic competitiveness, and the safety and security of our Country, and you start to draw those connections, it is something that people don't think about and sort of take for granted. But now they have become a little bit more open to different ways of thinking about how to finance our transportation system.

Senator INHOFE. I appreciate that.

I know my time has expired, Madam Chairman. Just one thing I wanted to get your reaction on. Oberstar, over in the House, has passed in the House a bridge bill. I am not sure what my feelings are on that. I am a little reluctant to start piece-mealing this thing until we come up with a strategy to take care of all of these problems, even though my State of Oklahoma has the greatest bridge problem. Do you think we are better off to try to address this all comprehensively rather than to try to do it piecemeal?

Mr. MADISON. I am not familiar with all the specifics of that bill. But I will say that much like the Highway Trust Fund shortfall,

I think we need to address the bridge funding issue in the short term and set the stage for a vigorous and open dialog about financing our entire system going forward with a revolutionary reauthorization bill.

Thank you.

Senator CLINTON. Senator Cardin.

Senator CARDIN. Thank you, Senator Clinton.

Again, Mr. Madison, thank you very much. I certainly support the concerns that have been raised to make sure that we have both the short-term and long-term funding for the highway system in this Country and the maintenance of that system, including our bridges.

I want to turn to the environmental front for one moment. Stormwater runoff is a serious issue, a serious problem on pollution. This Committee has taken action that the Federal Government, in building construction, use best practices on stormwater runoff. The construction of highways clearly has a major impact here.

I am interested in your view as to the use of the best practices as we look at the design of new highways and bridges to be sure that we are mindful of using the best practices in managing stormwater runoff issues.

Mr. MADISON. Thank you, Senator.

I am proud to say, proud as a New Yorker to say that New York has been a leader in environmental initiatives in many areas, but particularly with respect to infrastructure construction. There are many best practices that were initiated in New York that have been replicated by other States and have been adopted federally in looking at the broader picture of how to manage and protect the environment while these projects are underway.

I can tell you that I am familiar with what we did in New York. I understand the FHWA's role as it currently is. And understanding that is a priority for you would be something that I would look into right away.

Senator CARDIN. I thank you for that.

Our States are concerned about the additional impact on costs to maintain infrastructure because of the impacts of global climate change. We have seen sea level increases. I represent the State of Maryland. On the coast, we are being challenged by our roads and bridges because of sea level changes. We have increased flooding in this Country that is putting a stress on our transportation system. And our States are having a very difficult time dealing with this increased burden.

Can you just tell me how you will deal with these increased challenges brought about by the impacts of global warming as you look at how we are going to be able to finance our transportation system in this Country?

Mr. MADISON. Certainly the environmental sustainability is a primary goal and issue that the Federal Highway Administration deals with currently. I think that given the context of your question, it is something that we need to examine closely going into the next reauthorization period, and make sure that the kinds of investments that we make are balanced across the board. Understanding the impacts that we have on the environment, but also

looking at other areas where financing needs to be balanced very carefully.

But the environmental process is something that should continue to play a predominant role in the thinking and guidance that FHWA provides.

Senator CARDIN. And I am not trying to get you involved in any opinions as to the impact of global warming itself, but we do have sea level rise increases, we do have increased flooding conditions in this Country. We have seen it this year, it has been a trend. We know what the records are showing. It is going to put a real stress on our States.

As we talk about trying to finance our highway system here at the national level, our transportation system, our States are really being stretched because of the additional challenges brought about by these conditions. I think as we look at ways particularly to deal with restructuring of our system of finance, we have to take that into consideration. I would just urge you to take a look at the good science here and try to be mindful of this as we move forward on, I hope, corrections on our transportation system.

Mr. MADISON. I will, Senator, thank you.

Senator CARDIN. Thank you, Madam Chair.

Senator CLINTON. Thank you, Senator Cardin.

Senator VOINOVICH.

Senator VOINOVICH. Thank you, Madam Chair.

We all have lots of problems. And most of us have a goal that we are going to be the least reliant on gasoline of any country in the world, that is our goal. If we achieve it, it means the traditional way of collecting taxes isn't going to take care of our highway system, so that is an issue that needs to be thought about very carefully. We have had projections that just to take care of the bridge problems, just fix them up, \$200 billion during the next 10 years.

It is interesting, Madam Chairman, that the next 2 years we are going to spend \$240 billion in Iraq. That is something that we need to look at. It is a lot of money going over there that is needed for things we can be doing here in our own Country.

The issue of streamlining, which I am sure you were frustrated with when you had the job in New York, the Chairwoman has talked about the Peace Bridge. I am very active in the U.S.-Canadian Interparliamentary Group, and we are real concerned about the Ambassador Bridge and how that is going to be handled. Both those bridges really are important to our continued relationship with Canada. They are our No. 1 trading partner. Our economies are integrated.

My State has a gigantic surplus with Canada, and all of us are concerned about what is going to happen. If you are familiar with the situation in Michigan right now and Canada, really worried about this whole thing.

Then you mentioned trying to work also with the Department of Homeland Security to try and fold that aspect into it. Then the new bridge thing, one of the things that we have, the Brent Spence Bridge that goes between Kentucky and Ohio, it is the second most used bridge on the interState system. I wonder on occasion, is it fair to say to a State that you have to take the money to do this bridge out of your hide in terms of your allocation from the Federal

Government, how to do that, and some ideas about how that situation could be handled.

I would really be interested in knowing what your priorities are. I don't know what your ambitions are, but you have a shot at this thing, and I would like to know, if you get the job, what kind of legacy would you like to leave in a short time?

And by the way, I probably shouldn't bring this up, but you just got endorsed by two big Democrats.

[Laughter.]

Senator VOINOVICH. Regardless of who is elected President, they are going to be looking for somebody really good, somebody over in that Department. So just for the record, you know there is a possibility there.

Mr. MADISON. Thank you, Senator.

As Senator Inhofe mentioned, and I hasten to reiterate, transportation and infrastructure issues typically aren't partisan issues. I think the challenges that we have in front of us with this next reauthorization and making sure that we focus on the right things, balance the right kinds of funding, whether it is on environmental issues, looking at the possibility of innovative financing mechanisms, congestion pricing, intermodal balancing of the system, so that we can share the burden more fairly. These are all things, all part of a dialog that needs to be on the table. And it speaks to America's economic competitiveness and our sustainability.

Senator VOINOVICH. Forgive me for interrupting, but what I am interested in is, have you sat down, in thinking about this job, and you have been through the mill and had to deal with the Department, and said to yourself, son of a gun, if I get this job, here are the two or three things I am going to really get after, because they have been a source of problems for everybody throughout the Country? Could you give me two or three ideas that are like right at the top of the list? What would you put down?

Mr. MADISON. Understood, Senator. Well, I guess the first thing I would say, and I think it is consistent with at least recent proposals by this Administration, is to identify ways that we can improve, make process improvements in order to expedite some of the jurisdictional areas that the Federal Highway Administration is involved with. Being a partner with States in a constructive way.

But there are a lot of areas, a lot of different individual areas of responsibility at the Federal Highway Administration. There may be opportunities to improve the processes or bring together some of those areas to be more responsive from a timeframe standpoint.

To go back to your original question, Senator, if I could, because I think it is an excellent one, and one that the folks sitting behind me have asked, why are you thinking about going there for 5 months, I have really become a transportation advocate, and very passionate about these issues. I have had a lot of different government, public service jobs over the years. But once I started to get involved in this area, I started to understand how vitally important it is to people's lives every single day. I was one of the biggest offenders in terms of taking it for granted or not focusing on the importance of it.

So I guess first and foremost, I would hope to continue to be a strong and vocal advocate, raising awareness about how important these issues are, and trying to direct public attention and the attention of opinion leaders that will have a role in the reauthorization process to think differently this time around. If I can accomplish that, or even begin that process, I will be happy.

Senator VOINOVICH. That is great, thank you.

Mr. MADISON. Thank you, Senator.

Senator CLINTON. Thank you very much, Senator, and thank you so much, Mr. Madison.

Do you have any other questions that you would like to ask?

In order for this Committee and other committees to exercise their legislative and oversight responsibilities, it is important that the committees of the Congress are able to receive testimony, briefings and other communications of information. There are four questions we ask every nominee for a confirmable position. So let me ask you the first question.

Do you agree, if confirmed as Administrator of the Federal Highway Administration, to appear before this Committee or designated members of this Committee and other appropriate committees of the Congress, and provide information subject to appropriate and necessary security protection, with respect to your responsibilities as Administrator?

Mr. MADISON. Yes, Senator.

Senator CLINTON. Second, do you agree, when asked, to give your personal views, even if those views differ from the Administration in office at the time?

Mr. MADISON. Yes, Senator.

Senator CLINTON. I want to underscore that second question, because that has been very difficult in many instances. It is important, because clearly, you come before us as someone with a great deal of experience and expertise. We want your unvarnished opinion and advice.

No. 3, do you agree to ensure that testimony, briefings, documents and electronic and other forms of communication of information are provided to this Committee and its staff and other appropriate committees in a timely manner?

Mr. MADISON. Yes.

Senator CLINTON. And finally, do you know of any matters which you may or may not have disclosed that might place you in any conflict of interest if you are confirmed as Administrator of the Federal Highways Administration?

Mr. MADISON. No, I do not, Senator.

Senator CLINTON. Well, thank you so much, Mr. Madison. Thank you for agreeing to accept the President's appointment. I thank your family. Obviously this is a decision that involves them as well.

And we look forward to working with you, should you be confirmed, which, as Senator Inhofe said in his statement, we hope will be very soon. Because there is a lot of work to do, and we need leadership to work with.

Thank you all very much for being here. The hearing is adjourned.

[Whereupon, at 4:10 p.m., the committee was adjourned.]

