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Highway Policy Committee, Associated General Contractors

Max S. Baucus

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Senator * or Department*: **BAUCUS**

**Instructions:**
Prepare one form for insertion at the beginning of each record series.
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**Record Type***: Speeches & Remarks

**MONTH/YEAR of Records***: October-2001

(Example: JANUARY-2003)

(1) **Subject***: Associated General Contractors (ACG)

(select subject from controlled vocabulary, if your office has one)

(2) **Subject***: Highway Policy Committee

**DOCUMENT DATE***: 10/10/2001

(Example: 01/12/1966)

* "required information"
Memorandum

October 10, 2001

To: Senator Baucus

Fr: Dawn Levy

Re: Speeches at Associated General Contractors (AGC)
Saturday October 12, 2001
Salt Lake City, Utah
Grand American Hotel

NOTE: Joel Long, Joe Hansen and Ed Maronick of Montana Contractors Association will be there.

You will be giving two speeches to the Associated General Contractors on Saturday. One at 9:00 am and one at 10:00 am. Between the speeches there will be a half-hour fundraiser for you. You and I will meet at 8:30 am in the hotel lobby to go over everything.

Speech #1 9:00 am

You will be addressing the Highway Policy Committee (125 contractors)

This should be your standard speech (remember the laminated card I gave you?) But take a look at the talking points attached.

Main Points:

You will have a large role in writing the next highway bill
You will get involved in financing other transportation modes
You are writing a highway proposal for reauthorization

   Key Elements:
   1. Highway Trust Fund Protection
   2. Environmental Streamlining (I’ve provided a little extra on this subject in your remarks)
   3. Trust Fund Reimbursement for Ethanol Incentives.

PLUS you’ll discuss the $5 b for highways proposed in the economic stimulus package.
Transportation Talking Points For Every Occasion
**Associated General Contractors Annual Meeting**
(Highway Policy Committee)

Part I--Your Role in Writing the Next Highway Bill

- If all goes well in November of 2002, I will find myself in a very unique position as we write the next highway bill.

- I am the Senior Democrat on the Transportation Subcommittee of the Environment and Public Works Committee. I am the only Democrat left on the Committee that was directly involved in writing TEA 21.

- Even though I am no longer in a leadership role on the Transportation Subcommittee, I have been assured by Senator Reid--the new Chairman of the Subcommittee that I will be at the table.

- I am also Chairman of the Senate Finance Committee. That Committee has jurisdiction over the Highway Trust Fund. These two positions will allow me to play a role both in the policy discussions and in the funding discussions. And believe me, I have ideas about both.
Part II-Your Expanded Role in Transportation -Beyond Highways

- Transportation is now a priority for the Senate Finance Committee. I realize that this is unprecedented.

- I've always had a role with highways, but now I plan to get involved in the financing of Aviation, Transit, Rail and Waterways.

- Other Chairman didn't make transportation a priority. That was their choice. I chose to focus on those issues. Transportation funding is too important for us to ignore.

- I have a Finance staff member specifically dedicated to transportation. (Dawn Levy-Pronounced LEEVEE).

- I intend to work closely with the authorizing committees of all modes to ensure that our nation, especially in the face of these attacks, maintains a viable economy. The first step towards that is a solid, well-funded transportation system.
Part III—Your New Highway Bill

- Highway Reauthorization. Moving goods and moving people. That’s what it’s all about. The backbone of our economy.

- My staff and I are working on a draft piece of legislation for Highway Reauthorization. I expect to introduce it sometime in 2002.

- It will include three main elements:

  1. Protection of the Highway Trust Fund and the Firewalls

- I believe that the real fight this year ---- the one that everyone will be able to rally around is protecting what we have. I’m not talking about the formulas. I’m talking about the Firewalls. We need to protect the firewalls.

- Every year, appropriators and others try to break down those walls. They will try again during reauthorization. We cannot let them. We need to maintain the integrity of the Highway Trust Fund.
2. Environmental Streamlining

- We need to lay out guidelines for environmental streamlining because we need to get projects done faster. We need to stop the gridlock and get some deadlines set.

- We need to protect the environment--there's no question about that. But there are ways to move things along more quickly.

- I was very disappointed in the DOT rules last year on planning and the environment. I would like to see Congress set out some guidelines.

This is what I have in mind:

A.

- The US DOT needs to be the lead agency on at least two requirements--"Purpose and Need" for a project and "Scope of Alternatives."

- Who else should decide the purpose and need of a highway project? Clearly the DOT should fill this role.

- At the end of the day, when all the discussions
with other agencies have reached an impasse, the USDOT should have the right to say "enough- this is what we were doing."

- That is not to say that we will allow the USDOT to interfere with any authority the resource agency holds like permitting authority.

- But on these two issues --Purpose and need and scope of alternatives, it should be clear who is the decisionmaker. This will make sure that any stalemates are resolved quickly.

B.

- We should allow states to take over the role of the USDOT if they can meet certain requirements and if they choose to.

- Some states are not equipped to take on that responsibility. MDT is.

- It saves an extra layer of reporting responsibility if the state assumes the federal role. No degree of oversight is lost. The state has to follow the same requirements that the USDOT does. It just allows the state-which is closer to the project- to have a more direct role.
C.

- We must set time limits for resource agencies. When it comes time for an agency like Fish and Wildlife to assess the extent of damage (if any) to a wetlands or the Army Corps Engineers to issue a permit, these agencies shouldn’t be able to take years to make these decisions.

- First of all, we need to encourage their participation from the beginning of the planning process. When the original design work is being done, it would be helpful to have FWS around to say, "Hey you can’t build through that wetlands. Go around it instead." This kind of early participation from the resource agencies could save a lot of time, energy and $ later on. Let’s know early what our obstacles are.

- Once resource agencies are involved during the NEPA process. Let’s give them time limits. Something like 180 days to either issue the permit or tell us why you can’t. No answer at all is not acceptable. It is unacceptable for sit on their decision for years. We can’t make them issue the permit, but we can make them make a decision in a timely manner.
• These are what I would consider the basics for speeding up the projects. I still think we’re going to have some trouble getting this past the environmentalists, but these things are the easy logical solutions.

(Third element in Highway Bill)

3. **Reimbursement of the Highway Trust Fund from ethanol incentives**

• I have introduced a bill --S. 1306-- that deposits 2.5 cents from the tax on ethanol-blended fuels currently going to the general fund into the Highway Trust Fund.

• Ethanol deserves its incentives. Its good energy policy, its good agriculture policy and good public policy. However, those incentives should not be at the expense of the Highway Trust Fund revenues.

• Energy policy cannot be made in a vacuum. We need to think about affects on other sectors of the economy and other issues when we allow alternative fuels to enjoy tax incentives. We need that Trust Fund as big as we can get it.
Part IV. Economic Stimulus and Transportation

- I'd also like to discuss a proposal on the table for Congress's economic stimulus package for the country.

- $5 billion in extra money for State DOTs for 2002

- I believe that a good idea to help stimulate the economy would be a quick influx of $5 billion to the states for highway projects.

- The money would be distributed by formula and would be taken from the balance of the Highway Trust Fund.

- This is money that I hope can be spent quickly by state DOTs. Fast spending means fast jobs. But, I need to hear from you about HOW quickly this money will be spent. How fast will you hire new workers? How fast can you buy new equipment?

- The other good thing about the $5 billion is that we would go into reauthorization with a bigger program, therefore justifying a big program in "TEA-22."
Speech #2- Board of Directors (300 contractors)

Once again you'll give your main points:

You will have a large role in writing the next highway bill
You will get involved in financing other transportation modes
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   Key Elements:
   1. Highway Trust Fund Protection
   2. Environmental Streamlining
   3. Trust Fund Reimbursement for Ethanol Incentives.

PLUS you'll discuss the $5 b for highways proposed in the economic stimulus package and go over some more general economic stimulus materials.

Background on AGC

The Associated General Contractors of America (AGC) is the largest and oldest national construction trade association in the United States. AGC represents more than 35,000 firms, including 7,500 of America’s leading general contractors, and over 12,000 specialty-contracting firms. Over 14,000 service providers and suppliers are associated with AGC through a nationwide network of chapters.