STATEMENT OF SENATOR JOHN McCAIN
CHAIRMAN, SENATE COMMITTEE ON
COMMERCE, SCIENCE, AND TRANSPORTATION
FULL COMMITTEE OVERSIGHT HEARING
THE BOSTON CENTRAL ARTERY/TUNNEL PROJECT
MAY 3, 2000

- In an effort to fulfill our Committee's many duties, we continually conduct hearings on legislation and work to move bills through the legislative process. We also conduct oversight hearings on federal programs under our jurisdiction, as well as on issues of public concern that have been brought to the Committee's attention.

- Today's hearing is designed to take a careful and in-depth look into the Boston Central Artery/Tunnel project -- the biggest, most costly public works project in U.S. history -- and commonly referred to as "the Big Dig." This project has suffered from gross mismanagement and what appears to have been a complete lack of critical federal oversight. As such, it has experienced billions of dollars in cost overruns.

- The Central/Artery Tunnel project was originally estimated to cost $2.5 billion in 1985. Today it is estimated to cost U.S. taxpayers a staggering $13.6 billion. Almost daily, the Boston Globe or the Boston Herald publish a new and more embarrassing Big Dig story than the previous day's expose noting the project's mismanagement and many cost overruns. This Committee needs to know what assurances we have that the Federal and State highway officials responsible for overseeing this project finally have had their wake-up call.

- It is my hope this hearing will enable us to explore the complete and utter failure of the parties involved in this immense, multi-billion dollar transportation project, including Federal and State officials and project managers. We must ensure that this project's mismanagement and oversight neglect are a thing of the past.

- It is also my hope that the witnesses--each of whom is critically involved with the Big Dig project--will provide the Committee with their candid views on their role in the project and their individual perspective concerning how and why the project's costs skyrocketed. I also encourage each witness to offer specific suggestions on what actions Congress, the Administration, State officials, and project contractors should undertake to preclude future mismanagement of this or other federally-funded transportation projects.

- One area I plan on exploring in some detail with the Secretary is the outstanding federal financial obligation to the Central Artery/Tunnel project. While some Federal Highway Administration (FHWA) officials contend the federal funding level is "capped," I am not

convinced. There is no statutory cap on the Federal funding share for the project. Nor, to my knowledge, is there a written agreement signed by the State and FHWA capping the Federal funding share for the project. I fear that as of today, we really still don't know the final price to America's taxpayers.

- Further, I am not confident in the FHWA's ability to fulfill its stewardship responsibilities over the expenditure of American's gas-tax dollars. Last year, this Committee spent a considerable amount of time on another issue that highlighted the FHWA's poor stewardship--truck safety. In many meetings on truck safety, we received nearly unanimous views by a wide range of interested parties that the FHWA lacked "leadership" in its safety enforcement efforts. Many felt that the FHWA's poor leadership was attributable to its more demanding role in overseeing the multibillion dollar federal highway construction program. Ultimately, we took away FHWA's motor carrier safety jurisdiction in an effort to improve truck safety.

- Perhaps the FHWA's problems stem more from poor performance generally rather than from its oversight responsibility for the highway funding program. If FHWA wants the Congress to permit it to continue to have any federal responsibilities, it had better reform itself immediately.

- Much of the public attention on the Big Dig in recent months stems from the independent audit work carried out by the Department of Transportation Inspector General (IG), Kenneth Mead, and his staff. This Committee holds the IG's office in very high regard. We know that your auditors had projected cost estimates -- which were proven correct -- that were initially widely criticized by FHWA and State Central Artery officials. Unfortunately, your auditors were accurate and the Committee appreciates the leadership demonstrated by you, Mr. Mead, on this controversial project.

- In the near future, I intend to hold a hearing on another federal project that the IG's office has identified as posing serious Department of Transportation mismanagement problems--the Quincy Shipyard Project. I have grown increasingly concerned that the federal government will be unable to recover any of the roughly $50 million it has paid out to fulfill its title XI loan guarantee program obligation. Therefore, I intend to fully explore the Quincy Shipyard project during upcoming hearings to reauthorize the Maritime Administration.

- Again, I look forward to hearing from today's witnesses and am eager to hear their perspective and views on what actions Congress and the DOT should take to improve fiscal accountability on the Central Artery/Tunnel project and all federally funded transportation projects.

- I also want to acknowledge the dedicated work of the DOT Deputy IG, Ray DeCarli who, I understand, is retiring at the end of the month after 34 years of Federal service. Ray can be proud of the tremendous contributions his efforts have made in rooting out waste and fraud in transportation programs. His untiring efforts have saved millions of dollars for American taxpayers and we owe him a debt of gratitude.