

**NOMINATIONS TO THE DEPARTMENT OF
TRANSPORTATION**

HEARING

BEFORE THE

**COMMITTEE ON COMMERCE,
SCIENCE, AND TRANSPORTATION**

UNITED STATES SENATE

ONE HUNDRED NINTH CONGRESS

FIRST SESSION

APRIL 26, 2005

Printed for the use of the Committee on Commerce, Science, and Transportation



U.S. GOVERNMENT PRINTING OFFICE

25-226 PDF

WASHINGTON : 2006

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2250 Mail: Stop SSOP, Washington, DC 20402-0001

SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

ONE HUNDRED NINTH CONGRESS

FIRST SESSION

TED STEVENS, Alaska, *Chairman*

JOHN McCAIN, Arizona	DANIEL K. INOUE, Hawaii, <i>Co-Chairman</i>
CONRAD BURNS, Montana	JOHN D. ROCKEFELLER IV, West Virginia
TRENT LOTT, Mississippi	JOHN F. KERRY, Massachusetts
KAY BAILEY HUTCHISON, Texas	BYRON L. DORGAN, North Dakota
OLYMPIA J. SNOWE, Maine	BARBARA BOXER, California
GORDON H. SMITH, Oregon	BILL NELSON, Florida
JOHN ENSIGN, Nevada	MARIA CANTWELL, Washington
GEORGE ALLEN, Virginia	FRANK R. LAUTENBERG, New Jersey
JOHN E. SUNUNU, New Hampshire	E. BENJAMIN NELSON, Nebraska
JIM DEMINT, South Carolina	MARK PRYOR, Arkansas
DAVID VITTER, Louisiana	

LISA J. SUTHERLAND, *Republican Staff Director*

CHRISTINE DRAGER KURTH, *Republican Deputy Staff Director*

DAVID RUSSELL, *Republican Chief Counsel*

MARGARET L. CUMMISKY, *Democratic Staff Director and Chief Counsel*

SAMUEL E. WHITEHORN, *Democratic Deputy Staff Director and General Counsel*

LILA HARPER HELMS, *Democratic Policy Director*

CONTENTS

	Page
Hearing held on April 26, 2005	1
Statement of Senator Allen	5
Statement of Senator Inouye	3
Prepared statement	3
Statement of Senator Lautenberg	2
Statement of Senator McCain	2
Statement of Senator Stevens	1
Prepared statement	7
WITNESSES	
Cino, Maria, Deputy Secretary-Designate, Department of Transportation	7
Prepared statement	9
Biographical information	9
Clinton, Hon. Hillary Rodham, U.S. Senator from New York	4
Scheinberg, Phyllis F., Assistant Secretary of Transportation for Budget and Programs/Chief Financial Officer-Designate, Department of Transportation	13
Prepared statement	13
Biographical information	14
APPENDIX	
Response to Written Questions Submitted by Hon. Daniel K. Inouye to:	
Maria Cino	27
Phyllis F. Scheinberg	29

NOMINATIONS TO THE DEPARTMENT OF TRANSPORTATION

TUESDAY, APRIL 26, 2005

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, DC.

The Committee met, pursuant to notice, at 10:03 a.m. in room SR-253, Russell Senate Office Building, Hon. Ted Stevens, Chairman of the Committee, presiding.

OPENING STATEMENT OF HON. TED STEVENS, U.S. SENATOR FROM ALASKA

The CHAIRMAN. While we are waiting for our Co-Chairman, let me thank you all for coming. Perhaps we could have an opportunity to have the two nominees introduce their family who are here. Ms. Scheinberg, would you like to tell us who is with you for the record today.

Ms. SCHEINBERG. Thank you, Senator. I would like to introduce: my father, Jacob Factor; my husband, David Turner; and my son, Eric Turner.

The CHAIRMAN. Thank you very much. It is nice to have you here.

Ms. Cino, I understand you have—

Ms. CINO. I have my Northern Virginia family here.

The CHAIRMAN. It is a notorious family you brought with you this morning.

[Laughter.]

Ms. CINO. Yes, sir, I have been told.

But I have my two godchildren here, Mattie and Emma Carville.

The CHAIRMAN. Good morning, thank you.

Ms. CINO. And many members of my wonderful friends that are here to support me and have really been responsible for me being here.

The CHAIRMAN. Thank you very much.

Jim and Mary, we are happy to have you here. It is nice of you to come.

We want to wait just a second here for Dan if we can. I would say for the record that we are meeting today on short notice on the nominations of Mario Cino and Phyllis Scheinberg. The President nominated Mario Cino to be Deputy Secretary of Transportation on April 6th and Ms. Scheinberg was nominated on April 14th. Each has come to us with tremendous recommendations and there has been an expression of urgency that we proceed with these nominations.

Senator Inouye is on the way, John. But do you have a statement to make first?

**STATEMENT OF HON. JOHN McCAIN,
U.S. SENATOR FROM ARIZONA**

Senator McCAIN. I am sure that our distinguished Senators Allen and Clinton will say whatever is necessary. I would like to say, Mr. Chairman, if we are waiting for Senator Inouye, that I do happen to know both nominees and I think they are highly qualified. I also think, if I could mention Ms. Scheinberg in particular, she has done some outstanding work on pipeline safety, on Amtrak, on a number of other issues that I think have been really, really enormously helpful to the work of this Committee, and I welcome both nominees.

I thank you, Mr. Chairman.

The CHAIRMAN. Yes, I would join that. I read through your background and the statements you filed, and the enormous number of reports that you are responsible for over the years. It is just something else.

We are waiting for Senator Inouye. Senator, would you like to make any comments?

**STATEMENT OF HON. FRANK R. LAUTENBERG,
U.S. SENATOR FROM NEW JERSEY**

Senator LAUTENBERG. If I may. I would just like to say that I thank you for holding this hearing on these two important positions. I am concerned about the Administration's transportation policy. First, the administration for the first time during war years decided to reduce revenues by ordering tax breaks for the wealthiest among us. That of course then makes less funds available for other projects that require some attention. Faced with record deficits, the Bush tax cut forces us to slash programs that middle class families depend on every day, including transportation programs.

There can be no mistake about it. Americans are totally dependent on transportation—our country built its economy and its culture on our national transportation system, which includes highways, waterways, railroads, and airports. Security and safety are among the most paramount things in all of these modes.

The federal leadership and support of our national transportation system helps commuters, students, businesses, everybody in our country. In short, federal transportation programs make our Nation safer, more secure, and more prosperous. To shortchange federal transportation programs in these areas I think would be a terrible mistake.

Instead of making the investments that would improve our transportation system, it has been proposed that \$119 billion less be spent on our country's surface transportation system, the amount needed to maintain the status quo, and that is according to U.S. DOT. In addition, the President's 2006 budget proposal calls for bankrupting our passenger rail system. To do this in the wake of 9/11, when that was the one mode of transportation that worked when our aviation system was shut down, is outrageous.

The administration continues, I think, to risk the safety and security of air travelers by pursuing the outsourcing and privatiza-

tion of air traffic control and aviation security functions. Did we not learn anything from 9/11, when the terrorists were able to board planes with deadly weapons? When it comes to airline security, we have got to put passengers first.

We take our highways, our rail system, and our airports for granted. But the future efficiency and safety of our transportation systems are not guaranteed unless we provide the leadership in building a national transportation system for the 21st century.

If present trends continue, freight traffic on our highways will double, adding lots more trucks to our roads. Commuters will spend more time stuck in traffic and as highway congestion becomes commonplace in more places we are going to have more pollution resulting. The lines and delays at airports are going to get worse.

If we follow the course laid out by the Administration, we are looking at gridlock on our roads and on our airport runways and few choices for travelers. I travel by air frequently between here and home and often we are stuck at the airport waiting for traffic to clear. We have narrowed the separation between airplanes to try and accommodate more airplanes in the sky and to suddenly think that we can be better off without our national passenger railroad system just does not make sense.

It is a grim picture. I know many of my colleagues share my concerns and I hope we can make a difference.

I thank our witnesses for being here today, for their intention to help move transportation concerns further along with our needs. I look forward to working with them.

Mr. Chairman, thank you very much.

The CHAIRMAN. Senator Inouye, do you have any comments to make?

**STATEMENT OF HON. DANIEL K. INOUE,
U.S. SENATOR FROM HAWAII**

Senator INOUE. Mr. Chairman, I thank you very much. I wish to congratulate our two ladies, Ms. Scheinberg and Ms. Cino, and welcome our colleagues. I have a prepared statement I would like to make part of the record.

The CHAIRMAN. Without objection, it will be put in the record.

[The prepared statement of Senator Inouye follows:]

PREPARED STATEMENT OF HON. DANIEL K. INOUE, U.S. SENATOR FROM HAWAII

Good Morning, Ms. Cino and Ms. Scheinberg. Thank you for appearing before us as we consider your nominations to become Deputy Secretary of the Department of Transportation and Assistant Secretary for Budget and Programs and Chief Financial Officer to the Department of Transportation, respectively.

I look forward to hearing your views of how your past experiences will assist you in addressing the challenges posed by these positions.

Ms. Cino, we are depending on you to offer steady leadership at the Department, and to make certain that the safety of our nation's transportation system remains the top priority at the agency.

At the same time, you must provide the necessary guidance to develop and advance credible concepts to enhance the national transportation system and improve the movement of goods and people across the United States.

I am extremely concerned by the Administration's funding plans for the nation's aviation programs in recent years. The Federal Aviation Administration (FAA) has seen massive cuts to their Facilities and Equipment (F&E) account since Fiscal Year (FY) 2004, which will place our international leadership in the realm of aerospace

in jeopardy and damage our ability to address the pending capacity and congestion crisis in our skies.

Along with proposed reductions to the Airport Improvement Program (AIP), President Bush has cut more than \$1 billion in critical aviation funding in the past two years. You must provide direction at the Department to make certain aviation needs are properly funded.

I am also concerned about the lack of compromise that has delayed important transportation laws. Currently, Congress is working to pass the highway funding legislation, but we have been stuck in this log jam since last Congress. I believe we could have passed a good bill that would have provided crucial funding and important job opportunities if the Administration would show flexibility and provide the needed guidance to get this done.

Similarly, the Department's radical Amtrak reauthorization plan and budget proposal to bankrupt the railroad, developed without consultation with our Committee, suggests that the Administration is more interested in making grand statements than sincerely working with the Congress to improve intercity passenger rail service in our country. I believe, and I hope you agree, that building the bridges of communication with the legislative branch is an essential task of every nominee.

The position for which you are nominated will be particularly important in the immediate future, especially as we work toward domestic and international agreements in various aspects of aviation. We need someone who will work with Congress.

Ms. Scheinberg, you also have a great task before you as fiscal belt tightening is occurring across the Federal Government while the nation's transportation system has greater funding needs than ever.

Again, thank you for appearing before us today. I look forward to hearing your testimony.

The CHAIRMAN. Senator Clinton, we would be pleased to have you introduce Ms. Cino.

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

Senator CLINTON. Thank you, Mr. Chairman, and thanks to you and Senator Inouye, Senator McCain, and Senator Lautenberg for allowing me to come today and introduce a native New Yorker to you.

Mary Cino is currently serving as Counselor to the Secretary of Transportation and she has been nominated by the President to serve as the Deputy Secretary of Transportation. She was born and raised in Buffalo, New York, which is one of the greatest cities in the country. She is a graduate of St. John Fisher College in Rochester, New York, another great city in upstate New York, and she worked for years for former Congressman Bill Paxon, eventually becoming his chief of staff. She has recently served as Assistant Secretary and Director General of the United States and Foreign Commercial Service at the U.S. Department of Commerce.

As you consider her nomination, I know the Committee has several important policy matters that are before you. Senator Lautenberg referred to some of them. The Department of Transportation is the key agency responsible for overseeing the formulation of national transportation policy and promoting intermodal transportation across our Nation. This is an important job at any time, but I think it is particularly crucial at this moment in our country's history.

Mary Cino comes with a lot of energy, a lot of intelligence, and certainly a great network of friends and extended family. She introduced James Carville and Mary Matalin and their daughters Mattie and Emma, who are her goddaughters. She has a great desire to serve in public service.

I am very concerned about a lot of the issues that she will be responsible for dealing with and I hope that as we consider the new transportation bill that will be before the Senate this week we will consider the role of national passenger rail, we will consider the possibility of being visionary enough to look at high-speed rail. It would be a great boon to upstate New York to have high-speed train between Cleveland and Buffalo, between Buffalo and New York City.

I also hope that we will look at some of the aviation issues. Mr. Chairman, the New York TRACON is one of the busiest air traffic control facilities in the Nation and the number of errors have been reported to be increasing due to increased demand on the controllers. As someone who flies in and out of New York airports every single week, I am very concerned and will continue to work with the Department of Transportation, the FAA, and this Committee to make sure that air travel is safe in the air as well as when we board our planes because of the increased need for security.

I hope the Committee will also work with Ms. Cino and the Department of Transportation to ensure that Essential Air Service remains funded. It is designed to provide air service to small isolated communities and, although I know many of my colleagues, when you think of New York, you think of Manhattan, but it has huge areas of isolation and sparse population and essential air service in the north country near Fort Drum, as well as in western New York near Buffalo, where Ms. Cino grew up, is very important to our continuing economic prosperity.

Also, going hand in hand with that is the plans recently announced to close air traffic control facilities. Towers at the greater Rochester, Albany, and Syracuse Hancock International Airports could be potentially impacted, which would close control towers from midnight to 5 a.m., which would have consequences for aviation across our state.

So it is exciting to see someone from New York, who understands these problems, being nominated for this important position. I look forward to working with you on the Committee and, should Ms. Cino be confirmed, working with her to deal with so many of the issues that are important to New York and America.

I thank you for the courtesy of allowing me to appear. Thank you.

The CHAIRMAN. Senator Allen, would you introduce Ms. Scheinberg, please.

**STATEMENT OF HON. GEORGE ALLEN,
U.S. SENATOR FROM VIRGINIA**

Senator ALLEN. Thank you. Mr. Chairman, Senator Inouye, Senator McCain, Senator Lautenberg: I am here to introduce two highly qualified Virginians who have been nominated to serve at the Department of Transportation. Both have distinguished careers in public service and will help tackle the daunting tasks and problems that face our Nation's transportation system.

Let me first start with Maria Cino. She may be from Buffalo, as are Jack Kemp, Jim Kelly, Bruce Smith at one time and Marv Levy, but I am glad she moved to Virginia. I will not list all Virginia transportation priorities other than to say I am glad that she

is in Virginia and will have to cross over bridges, understands the importance of high-speed rail, and we are happy to work with her to re-open Reagan National Airport to general aviation, an issue for this Committee.

Senator McCAIN. These are issues for the Committee.

Senator ALLEN. Excuse me? They are. I have a bill and I know you will all be supportive of it, and I do not think it is actually the Department of Transportation that is the problem.

My relationship and friendship with Maria go back to 1991 when she was chief of staff to Bill Paxon. She has worked in a number of positions in the private as well as public sector. As was stated by Senator Clinton, she was appointed by President Bush and also confirmed by the U.S. Senate as Assistant Secretary and Director General of the U.S. and Foreign Commercial Service. In that role—it is important to understand the management and the responsibility in that role—she managed a worldwide group that helped small and medium-sized businesses export their product or provide their services abroad and also sought to protect our small businesses overseas.

She oversaw and distributed an annual budget of \$200 million and supervised 1,700 employees at 105 domestic offices and 162 international offices. While at Commerce, where showing good management and making sure you have a capable, skilled work force are so important, she worked to create the professional development department to provide consistent and ongoing training for headquarters, domestic, and international staff.

She also has worked in the private sector as a public policy and government affairs consultant to the law firm of Wiley Rein and Fielding in Washington, DC. During this time she used her management, legislative and political experience to represent corporations and trade associations on a wide range of issues before Congress.

I have worked with her over the years and I can say to my colleagues she is an outstanding individual. She has strong management skills. She has a good, calm head on her shoulders and she gets the job done. I think with her cheerful personality and successful leadership, Maria Cino will be an outstanding Deputy Secretary of Transportation.

It is also my pleasure to introduce and present to the Committee Phyllis Scheinberg as the nominee for Assistant Secretary for Budget and Programs and Chief Financial Officer at the Department of Transportation. Phyllis has also served in a number of roles in government. She comes to this nomination as the Deputy Assistant Secretary of Transportation for Budget and Programs, overseeing the development and presentation of the Department of Transportation's budget requirements.

Prior to joining the Department of Transportation, Ms. Scheinberg was the Director of Transportation Issues at the General Accounting Office, where she directed reports, testimony, and briefings on a multitude of surface transportation issues. In this capacity, she testified before Congress on topics including the financial viability of Amtrak—I know that is a key concern of this Committee, particularly to Senator McCain—and also on a particularly relevant topic today, the reauthorization of TEA-21.

Before working on transportation issues at GAO, Phyllis served as a Senior Budget Examiner for Transportation and Natural Resources at the Office of Management and Budget. She originally came to Washington, DC, as a presidential management intern in 1979.

She has been a resident of the Commonwealth of Virginia for 26 years. She and her husband David Turner live in North Arlington. Both her children, Diane and Eric, attend public schools. Eric is currently a student at the Thomas Jefferson High School for Science and Technology. She also recruited her 80-year-old father to move to Virginia as well.

So, Mr. Chairman, thank you for holding a hearing in a prompt manner on these two outstanding, exceptional, well qualified nominees who have shown good judgment. They could live in a lot of different places when coming to this region. Both chose wisely in going to Virginia.

Thank you very much.

The CHAIRMAN. Thank you very much, Senator.

Without objection, I will print the statement I would have made at the beginning of the hearing and turn to Ms. Cino for any comments she wishes to make.

[The prepared statement of Senator Stevens follows:]

PREPARED STATEMENT OF HON. TED STEVENS, U.S. SENATOR FROM ALASKA

The Committee will come to order.

I thank the Committee for meeting on short notice for today's hearing on the nominations of Maria Cino and Phyllis Scheinberg.

President Bush nominated Maria Cino to be Deputy Secretary of Transportation on April 6, 2005.

Her previous positions in government include 2 years as Assistant Secretary of Commerce and Director General of the Foreign Commercial Service.

She led the Administration's export promotion effort at the Commerce Department. She managed 1,700 employees at an agency with offices in more than 80 countries.

The President nominated Phyllis Scheinberg to be Assistant Secretary of Transportation on April 14, 2005.

Ms. Scheinberg has a distinguished career in federal service devoted to transportation issues. She has served as Deputy Assistant Secretary of DOT, as a director of transportation issues at GAO, and as a budget examiner at OMB.

She brings vital experience to a department with enormous financial responsibilities, including the aviation and highway trust funds and new rail infrastructure projects.

I thank the witnesses for their testimony today.

**STATEMENT OF MARIA CINO, DEPUTY
SECRETARY-DESIGNATE, DEPARTMENT OF TRANSPORTATION**

Ms. CINO. Thank you, Chairman Stevens, Senator Inouye, and Members of the Committee. It is an honor for me to appear before you today as President Bush's nominee to serve as the next Deputy Secretary of Transportation. I would especially like to thank Senator Clinton from my home State of New York for her kind words, and I would like to thank my friend Senator Allen, from my now home State of Virginia, for his kind words.

I am grateful to President Bush and our Secretary of Transportation, Norm Mineta, for the support of my nomination. I am a great admirer of Secretary Mineta. He is a statesman in the truest

sense of the word and he is incredibly knowledgeable and passionate about our Nation's transportation system.

As the Members of this Committee understand so well, transportation is the engine that drives the American economy. It is imperative to keep the Department responsible for this vital network operating at peak efficiency as we approach the challenging road ahead.

The Deputy Secretary is the chief operating officer of the Department, responsible for seeing this Nation's vast network of highways and railways, seaways, airports, pipelines, and transit systems continue to operate safely, reliably, and efficiently, all the while looking ahead to anticipate and prepare for tomorrow's transportation demands in an increasingly interconnected world.

While I could not claim to have Secretary Mineta's vast expertise on transportation, what I will be able to bring to the Department should I be confirmed is the benefit of nearly 25 years of managing and leading field-based operations, developing and adhering to complex budgets, setting short and long-term strategic goals, building coalitions, developing, motivating, and mentoring staffs.

Included in this experience is an understanding of the importance of working with Members of Congress on both sides of the aisle and an extensive network of contacts in federal, state, and local agencies. During the President's first term, I had the privilege of being confirmed by the Senate for the position of Assistant Secretary and Director General of the United States Foreign Commercial Service. In fact, it was 4 years ago almost to the day on which I appeared here before this Committee and the Committee on Banking, Housing, and Urban Affairs.

My experience as Director General of the Commercial Service instilled a deep appreciation of the dedicated and compassionate public servants who work for America. I relied on their expertise and advice to do my job and I believe that my leadership skills and management strengths helped them to do their jobs.

At the Commercial Service, my job was helping connect U.S. businesses with export opportunities, giving me a firsthand look at the critical role of transportation networks in a global economy. Transportation links were major considerations and major factors in our success, whether it was the availability of air service to connect potential buyers and sellers or the entire intermodal system chain that served as the essential artery through which international commerce flows.

I know of no Department that affects more people's life as directly as Transportation. If confirmed, I look forward to the opportunity to help this essential Department and its employees continue to excel and to make sure that the Department invests its resources wisely and well to deliver the infrastructure that will keep America and the American economy moving forward.

Again, I thank you for this opportunity to appear today and I am happy to answer any questions.

[The prepared statement and biographical information of Ms. Cino follows:]

PREPARED STATEMENT OF MARIA CINO, DEPUTY SECRETARY-DESIGNATE,
DEPARTMENT OF TRANSPORTATION

Thank you, Chairman Stevens, Senator Inouye, and Members of the Committee. It is an honor for me to appear before you today as President Bush's nominee to serve as the next Deputy Secretary of Transportation.

I am grateful to President Bush and Secretary of Transportation Norm Mineta for their support of my nomination. I am a great admirer of Secretary Mineta. He is a statesman in the truest sense of the word, and he is incredibly knowledgeable and passionate about our Nation's transportation system.

As the Members of this Committee understand so well, transportation is the engine that drives the American economy. It is imperative to keep the Department responsible for this vital network operating at peak efficiency as we approach a challenging road ahead.

The Deputy Secretary is the Chief Operating Officer of the Department responsible for seeing that this Nation's vast network of highways and railways, our seaways, airports, pipelines, and transit systems continue to operate safely, reliably, and efficiently all the while looking ahead to anticipate and prepare for tomorrow's transportation demands in an increasingly interconnected world.

While I cannot claim to have Secretary Mineta's vast expertise on transportation, what I will be able to bring to the Department, should I be confirmed, is the benefit of my nearly 25 years of managing and leading field-based organizations; developing and adhering to complex budgets; setting short- and long-term strategic goals; building coalitions; and developing, motivating, and mentoring staffs.

Included in this experience is an understanding of the importance of working with Members of Congress on both sides of the aisle, and an extensive network of contacts in federal, state, and local agencies.

During the President's first term, I had the privilege of being confirmed by the Senate for the position of Assistant Secretary and Director General of the Department of Commerce's United States and Foreign Commercial Service. This office is charged with export promotion and at that time had offices in 85 countries and 47 states and 1,700 employees.

In fact, it was 4 years ago, almost to the day, on which I appeared before this very Committee as well as the Committee on Banking, Housing and Urban Affairs for confirmation hearings for that position.

My experience as Director General of the Commercial Service instilled a deep appreciation of the dedicated and compassionate public servants who work for America. I relied on their expertise and advice to do my job, and I believe that my leadership skills and management strengths helped them to do their jobs better.

At the Commercial Service, my job was helping connect U.S. businesses with export opportunities, giving me a first-hand look at the critical role of transportation networks in the global economy.

Transportation links were major considerations, and major factors in our success, whether it was the availability of air services to connect potential buyers and sellers or the entire intermodal supply chain that serve as the essential artery through which international commerce flows.

I know of no Department that affects more peoples' lives as directly as Transportation. If confirmed, I look forward to the opportunity to help this essential Department and its employees continue to excel, and to make sure that the Department invests its resources wisely and well to deliver the infrastructure that will keep America, and the American economy, moving forward.

Again, thank you for the opportunity to appear before you today, and I will be happy to answer any questions you may have.

A. BIOGRAPHICAL INFORMATION

1. Name (Include any former names or nicknames used): Maria Cino.
2. Position to which nominated: Deputy Secretary for the Department of Transportation.
3. Date of Nomination: April 6, 2005.
4. Address (List current place of residence and office addresses): Information not released to the public.
5. Date and Place of Birth: April 19, 1957 in Buffalo, New York.
6. Provide the name, position, and place of employment for your spouse (if married) and the names and ages of your children (including stepchildren and children by a previous marriage): Single, no children
7. List all college and graduate degrees. Provide year and school attended.

School: St. John Fisher College
 Attended: 1975–1979
 Degree: BA-Political Science
 Degree Granted: May 1979
 School: University of Dayton School of Law
 Attended: 1979–1980
 Degree: Did not complete.
 Degree Granted: None.

8. List all management-level jobs held and any non-managerial jobs that relate to the position for which you are nominated.

Republican National Committee
 Deputy Chairman
 June 2003–April 2005
 Department of Commerce
 Assistant Secretary for Commerce and Director General of the United States and Foreign Commercial Service
 April 2001–June 2003
 Republican National Committee
 Deputy Chairman for Political Operations and Congressional Affairs
 Washington, DC
 May 2000–March 2001
 Bush for President, Inc.
 National Political Director
 Austin, TX
 March 1999–April 2000
 Wiley, Rein & Fielding
 Government Affairs Consultant
 Washington, DC
 March 1997–March 1999
 National Republican Congressional Committee
 Executive Director
 Washington, DC
 January 1993–March 1997
 Congressman Bill Paxon
 Chief of Staff
 Washington, DC
 January 1989–January 1993
 Paxon for Congress
 Campaign Manager
 West Seneca, NY
 August 1988–December 1988
 American View Point
 Research Analyst
 Alexandria, VA
 January 1986–July 1988
 Republican National Committee
 Executive Assistant to the Political Director, January 1985–January 1986
 State and Local Programs Director, January 1983–January 1985
 Program Director, Political Education, July 1981–January 1983
 Washington, DC
 Bo Sullivan for Governor
 Assistant Research Director
 Bo Sullivan for Governor Committee
 Essex, New Jersey
 January 1981–June 1981

9. List any advisory, consultative, honorary or other part-time service or positions with federal, state, or local governments, other than those listed above, within the last 5 years.

Department of Commerce
 Senior Advisor
 April 2001–June 2003

10. List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership,

or other business, enterprise, educational or other institution within the last 5 years.

Wish List—Political Group
Board Member
1997–1999
VIEW PAC—Political Group
President
1997–2000
Enterprise Works—Non-Profit
Trustee
1988–2001, resigned 02/01

11. Please list each membership you have had during the past 10 years or currently hold with any civic, social, charitable, educational, political, professional, fraternal, benevolent or religious organization, private club, or other membership organization. Include dates of membership and any positions you have held with any organization. Please note whether any such club or organization restricts membership on the basis of sex, race, color, religion, national origin, age or handicap.

National Republican Congressional Committee, Executive Director, 1993–1997
Bush for President, Inc., National Political Director, 1999–2000
Republican National Committee, Deputy Chairman of Political Operations and Congressional Affairs, 2000–2001
Wish List, Board, 1997–1999
VIEW PAC, President, 1997–1999

12. Have you ever been a candidate for public office? If so, indicate whether any campaign has any outstanding debt, the amount, and whether you are personally liable for that debt: No.

13. Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$500 or more for the past 10 years.

Political Contributions:
VIEW PAC \$1,000
Wish List \$1,500
Collins for Senate \$500
Swift Committee \$500
Lazio 2000, Inc. \$1,000
Bush for President \$2,000

14. List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals and any other special recognition for outstanding service or achievements.

St. John Fisher College—Honorary Doctorate

15. Please list each book, article, column, or publication you have authored, individually or with others, and any speeches that you have given on topics relevant to the position for which you have been nominated. Do not attach copies of these publications unless otherwise instructed.

I have not authored any books, articles, columns or publications. Speeches I have given over the past decade are related to political updates and the political environment. Additionally, while at the Department of Commerce, U.S. Foreign Commercial Service, I gave speeches promoting President Bush's Free Trade Agreement and the importance of trade.

16. Please identify each instance in which you have testified orally or in writing before Congress in a non-governmental capacity and specify the subject matter of each testimony: None.

B. POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients, or customers: None.

2. Do you have any commitments or agreements, formal or informal, to maintain employment, affiliation or practice with any business, association or other organization during your appointment? If so, please explain: None.

3. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

Please refer to the U.S. Department of Transportation Office of General Counsel's Opinion Letter.

4. Describe any business relationship, dealing, or financial transaction which you have had during the last 5 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated: None.

5. Describe any activity during the past 5 years in which you have been engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any legislation or affecting the administration and execution of law or public policy.

While employed at the Department of Commerce, U.S. Foreign & Commercial Service, I promoted President Bush's Free Trade Agreement and the importance of trade.

6. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items.

Please refer to the U.S. Department of Transportation Office of the General Counsel's Opinion Letter.

C. LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? No.

2. Have you ever been investigated, arrested, charged, or held by any federal, state, or other law enforcement authority of any federal, state, county, or municipal entity, other than for a minor traffic offense? No.

3. Have you or any business of which you are or were an officer ever been involved as a party in an administrative agency proceeding or civil litigation? If so, please explain.

While serving as Executive Director of the National Republican Congressional Committee (01/1993-03/1997) and as Deputy Chairman of the Republican National Committee (06/2003-04/2005), complaints were lodged against the Committees by the Federal Election Commission.

It is very common to have political organizations file complaints with the Federal Election Commission, especially during an election year. The National Republican Congressional Committee and the Republican National Committee, likewise file complaints against other political organizations.

4. Have you ever been convicted (including pleas of guilty or *nolo contendere*) of any criminal violation other than a minor traffic offense? No.

5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be disclosed in connection with your nomination: None.

6. Have you ever been accused, formally or informally, of sexual harassment or discrimination on the basis of sex, race, religion or any other basis? No.

D. RELATIONSHIP WITH COMMITTEE

1. Will you ensure that your department/agency complies with deadlines for information set by congressional committees? Yes.

2. Will you ensure that your department/agency does whatever it can to protect congressional witnesses and whistle blowers from reprisal for their testimony and disclosures? Yes.

3. Will you cooperate in providing the Committee with requested witnesses, including technical experts and career employees, with firsthand knowledge of matters of interest to the Committee? Yes.

4. Are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so? Yes.

The CHAIRMAN. Thank you very much.
Ms. Scheinberg, do you have a statement?

**STATEMENT OF PHYLLIS F. SCHEINBERG, ASSISTANT
SECRETARY OF TRANSPORTATION FOR BUDGET AND
PROGRAMS/CHIEF FINANCIAL OFFICER-DESIGNATE,
DEPARTMENT OF TRANSPORTATION**

Ms. SCHEINBERG. Yes, sir. Thank you, Mr. Chairman, Senator Inouye, Senator McCain, and Senator Lautenberg. I want to thank Senator Allen for his kind introduction. It is an honor for me to appear before you today, having been selected by Secretary Mineta and President Bush for the position of Assistant Secretary for Budget and Programs and Chief Financial Officer of the Department of Transportation. If confirmed, I look forward to working with you closely and this Committee on transportation issues.

Throughout almost 26 years of federal service, I have worked in the area of transportation finance and oversight. During this time I have come to understand and appreciate the vital role that a safe, secure, and dependable transportation system plays in keeping our economy strong. I also understand the importance of the Executive and Legislative branches working together as a team to improve the Nation's transportation policies, programs, and financing.

For many years I have worked closely with the Congress and this Committee in particular. If confirmed, I look forward to working with all of you as we develop new solutions to our Nation's transportation needs.

I recognize the significant investment American taxpayers have made in developing, maintaining, and improving our transportation system. That is why as Assistant Secretary and CFO, my top priority would be to ensure that our financial investment in transportation is managed as effectively and efficiently as possible.

I am committed to continued improvement of the processes and systems needed to ensure proper oversight of the funds entrusted to us. We have a responsibility to ensure that the traveling public and our business community receive the greatest return on their transportation investment.

As a career public servant, I am deeply honored to be considered for this important position. Over the years, I have seen firsthand the positive benefits that open exchange of information and collaboration can provide in addressing transportation issues. I am proud to have dedicated my career to this important mission.

If confirmed as Assistant Secretary and CFO, I pledge to work closely with the Congress, to be a good steward of American transportation dollars, and to safeguard the financial resources of the Department of Transportation.

Thank you again and I look forward to any questions you may have.

[The prepared statement and biographical information of Ms. Scheinberg follows:]

PREPARED STATEMENT OF PHYLLIS F. SCHEINBERG, ASSISTANT SECRETARY OF
TRANSPORTATION FOR BUDGET AND PROGRAMS/CHIEF FINANCIAL
OFFICER-DESIGNATE, DEPARTMENT OF TRANSPORTATION

Thank you, Mr. Chairman, Senator Inouye and Members of the Committee. It is an honor for me to appear before you today and to have been selected by Secretary Mineta and President Bush for the position of the Assistant Secretary for Budget and Programs and Chief Financial Officer at the Department of Transportation. If

confirmed, I look forward to working closely with this Committee on transportation issues.

Throughout almost 26 years of federal service, I have worked in the area of transportation finance and oversight. During this time, I have come to understand and appreciate the vital role that a safe, secure, and dependable transportation system plays in keeping our economy strong. I also understand the importance of the Executive and Legislative Branches working together as a team to improve the nation's transportation policies, programs, and financing. For many years, I have worked closely with the Congress and this Committee, in particular. If confirmed, I look forward to working with all of you as we develop new solutions for our nation's transportation needs.

I recognize the significant investment American taxpayers have made in developing, maintaining, and improving transportation. That is why, as Assistant Secretary and CFO, my top priority would be to ensure that our financial investment in transportation is managed as effectively and efficiently as possible. I am committed to continued improvement of the processes and systems needed to ensure proper oversight of the funds entrusted to us. We have a responsibility to ensure that the traveling public and our business community receive the greatest return on their transportation investment.

As a career public servant, I am deeply honored to be considered for this important position. Over the years, I have seen first hand the positive benefits that open exchange of information and collaboration can provide in addressing transportation issues. I am proud to have dedicated my career to this important mission. If confirmed as Assistant Secretary and CFO, I pledge to work closely with the Congress, to be a good steward of American's transportation dollars, and to safeguard the financial resources of the Department of Transportation.

A. BIOGRAPHICAL INFORMATION

1. Name: (Include any former names or nicknames used):

Phyllis Factor Scheinberg
Phyllis Ann Factor
Phyllis Turner

2. Position to which nominated: Assistant Secretary of Transportation for Budget and Programs and Chief Financial Officer.

3. Date of Nomination: April 14, 2005

4. Address: (List current place of residence and office addresses).

Residence: Information not released to the public.
Office: U.S. Department of Transportation 400 7th Street, SW, Room 10101
Washington, DC 20590.

5. Date and Place of Birth: 02/20/48—Everett, Massachusetts.

6. Provide the name, position, and place of employment for your spouse (if married) and the names and ages of your children (including stepchildren and children by a previous marriage):

Husband: David Lee Turner
Telecommunications Engineer
U.S. Fish and Wildlife Service
Fairfax Drive
Arlington, VA.

Children:
Dianne Barbra Scheinberg, 30
Eric Lee Turner, 16

7. List all college and graduate degrees. Provide year and school attended.

1974–1979 University of California, Irvine—M.S.
1965–1969 Simmons College, Boston, MA—B.A.

8. List all management-level jobs held and any non-managerial jobs that relate to the position for which you are nominated.

04/01–present Deputy Assistant Secretary, DOT, Washington, DC
07/90–04/01 Director, U.S. General Accounting Office, Washington, DC
08/81–07/90 Budget Examiner, OMB, Washington, DC
01/81–08/81 Policy Analyst, FEMA, Washington, DC
07/79–01/81 Presidential Management Intern, U.S. GPO, Washington, DC

9. List any advisory, consultative, honorary or other part-time service or positions with federal, state, or local governments, other than those listed above, within the last 5 years: None.

10. List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant or any corporation, company, firm, partnership, or other business, enterprise, educational or other institution within the last five years.

General Partner, Vista Apartments, Palo Alto, CA.

11. Please list each membership you have had during the past 10 years or currently hold with any civic, social, charitable, educational, political, professional, fraternal, benevolent or religious organization, private club, or other membership organization. Include dates of membership and any positions you have held with any organization. Please note whether any such club or organization restricts membership on the basis of sex, race, color, religion, national origin, age or handicap.

Director, American Association for Budget & Policy Analysis

Falls Church, VA

(non-profit professional organization, 1995–2000)

Member, Parent Teachers Association at the following Arlington Public Schools
Jamestown Elementary School (1994–2000)

Williamsburg Middle School, Arlington, VA (2003–2003)

Thomas Jefferson High School for Science & Tech, Fairfax, VA (2003–present)

Member, Temple Rodef Shalom, Falls Church, VA, 1982–present

(None of these organizations restricts membership)

12. Have you ever been a candidate for public office? If so, indicate whether any campaign has any outstanding debt, the amount, and whether you are personally liable for that debt: No.

13. Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$500 or more for the past 10 years: None.

14. List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals and any other special recognition for outstanding service or achievements.

2002 Transportation 9/11 Medal

2003 Presidential Rank Award of Meritorious Executive

15. Please list each book, article, column, or publication you have authored, individually or with others, and any speeches that you have given on topics relevant to the position for which you have been nominated. Do not attach copies of these publications unless otherwise instructed.

While at the General Accounting Office (currently the Government Accountability Office), I authored or co-authored the following GAO Reports and Testimony:

03/21/01 Intercity Passenger Rail: Assessing the Benefits of Increased Federal Funding for Amtrak and High-Speed Passenger Rail Systems, GAO-01-480T.

02/14/01 Highway Infrastructure: FHWA's Model for Estimating Highway Needs Has Been Modified for State-Level Planning, GAO-01-299.

01/31/01 Motor Vehicle Safety: NHTSA's Ability to Detect and Recall Defective Replacement Crash Parts Is Limited, GAO-01-225.

11/17/00 Metropolitan Washington Airports Authority: Information on Contracting at Washington Dulles International Airport and Ronald Reagan Washington National Airport Between 1992 and 1999, GAO-01-185R.

11/9/00 Mass Transit: Review of the South Boston Piers Transit-way Finance Plan, GAO-01-174R.

09/29/00 Intercity Passenger Rail: Decisions on the Future of Amtrak and Intercity Passenger Rail Are Approaching, T-RCED-00-277.

09/15/00 Mass Transit: Project Management Oversight Benefits and Future Funding Requirements, RCED-00-221.

08/30/00 Transit Grants: Need for Improved Predictability, Data and Monitoring in Application Processing, RCED-00-260.

07/31/00 Hazardous Materials Training: DOT and Private Sector Initiatives Generally Complement Each Other, RCED-00-190.

07/17/00 Commercial Motor Vehicles: Effectiveness of Actions Being Taken to Improve Motor Carrier Safety is Unknown, RCED-00-189.

06/29/00 Highway Funding: Problems With Highway Trust Fund Information Can Affect State Highway Funds, RCED/AIMD-00-148.

06/05/00 Highway Infrastructure: FHWA's Model for Estimating Highway Needs Is Generally Reasonable, Despite Limitations, RCED-00-133.

05/31/00 Intercity Passenger Rail: Amtrak Will Continue to Have Difficulty Controlling Its Costs and Meeting Capital Needs, RCED-00-138.

05/15/00 Pipeline Safety: The Office of Pipeline Safety Is Changing How It Oversees the Pipeline Industry, RCED-00-128.

04/28/00 Mass Transit: Implementation of FTA's New Starts Evaluation Process and FY 2001 Funding Proposals, RCED-00-149.

04/25/00 Transit Grants: Department of Labor's Certification Process, T-RCED-00-157.

03/31/00 Mass Transit: Review of the Bay Area Rapid Transit District's Airport Extension Finance Plan, RCED-00-95R.

03/31/00 Mass Transit: Review of the Tren Urbano Finance Plan, RCED-00-09R.

03/15/00 Intercity Passenger Rail: Increasing Amtrak's Accountability for Its Taxpayer Relief Act Funds, T-RCED-00-116.

03/08/00 Mass Transit: Challenges in Evaluating, Overseeing, and Funding Major Transit Projects, T-RCED-00-104.

03/02/00 Commercial Motor Vehicles: Significant Actions Remain to Improve Truck Safety, T-RCED-00-102.

02/29/00 Intercity Passenger Rail: Amtrak Needs to Improve Its Accountability for Taxpayer Relief Act Funds, RCED/AIMD-00-78.

10/15/99 Mass Transit: Mobility Improvements Is One of the Many Factors Used to Evaluate Mass Transit Projects, RCED-00-6R.

09/27/99 Transportation Infrastructure: Better Data Needed to Rate the Nation's Highway Conditions, RCED-99-264.

09/24/99 Transportation Infrastructure: FHWA Should Assess and Compare the Benefits of Projects When Awarding Discretionary Grants, RCED-99-263.

08/19/99 Mass Transit: Status of New Starts Transit Projects With Full Funding Grant Agreements, RCED-99-240.

07/09/99 Intercity Passenger Rail: Amtrak's Progress in Improving Its Financial Condition Has Been Mixed, RCEC-99-181.

06/23/99 Highway Safety: Effectiveness of State .08 Blood Alcohol Laws, RCED-99-179.

06/09/99 Transportation Infrastructure: Impacts of Utility Relocations on Highway and Bridge Projects, RCED-99-131.

06/01/99 Transportation Infrastructure: Advantages and Disadvantages of Wrap-Up Insurance for Large Construction Projects, RCED-99-155.

04/26/99 Mass Transit: FTA's Progress in Developing and Implementing a New Starts Evaluation Process, RCED-99-113.

04/16/99 Railroad Regulation: Changes in Railroad Rates and Service Quality Since 1990, RCED-99-93.

03/17/99 Truck Safety: Effectiveness of Motor Carriers Office Hampered by Data Problems and Slow Progress on Implementing Safety Initiatives, T-RCED-99-122.

02/26/99 Railroad Regulation: Current Issues Associated With the Rate Relief Process, RCED-99-46.

02/23/99 Truck Safety: Motor Carriers Office's Activities to Reduce Fatalities Are Likely to Have Little Short-term Effect, T-RCED-99-89.

01/14/99 Surface Infrastructure: High-Speed Rail Projects in the United States, RCED-99-44.

06/05/98 Intercity Passenger Rail: Prospects for Amtrak's Financial Viability, RCED-98-211R.

05/20/98 Mass Transit: FTA's New Starts Funding Criteria, RCED-98-189R.

05/20/98 Rail Transportation: Federal Railroad Administration's Safety Programs, T-RCED-98178.

- 05/19/98 Transportation Infrastructure: Supplemental Information on the Federal Highway Administration's Project Selection Process for Five Discretionary Programs, RCED-98-179R.
- 05/14/98 Intercity Passenger Rail: Financial Performance of Amtrak's Routes, RCED-98-151.
- 04/24/98 Highway Trust Fund: Financial Condition as of September 30, 1997, RCED-98-171R.
- 04/21/98 Surface Transportation: Issues Associated With Pipeline Regulation by the Surface Transportation Board, RCED-98-99.
- 03/31/98 Surface Transportation: Issues Associated With Pipeline Regulation by the Surface Transportation Board, T-RCED-98-127.
- 03/24/98 Intercity Passenger Rail: Outlook for Improving Amtrak's Financial Health, T-RCED-98-134.
- 03/02/98 Intercity Passenger Rail: Issues Associated With a Possible Amtrak Liquidation, RCED-98-60.
- 02/27/98 Surface Transportation: Improvements in the Bureau of Transportation Statistics' Commodity Flow Survey, RCED-98-90R.
- 02/12/98 Surface Infrastructure: Costs, Financing and Schedules for Large-Dollar Transportation Projects, RCED-98-64.
- 02/06/98 Highway Trust Fund: Possible Impact If It Had Financed All Highway Expenditures, RCED-98-78R.
- 12/19/97 Highway Safety: NHTSA's Motorcycle Helmet Activities, RCED-97-44R.
- 11/21/97 Transportation Infrastructure: Highway Pavement Design Guide Is Outdated, RCED-97-9.
- 11/07/97 Transportation Infrastructure: Review of Project Selection Process for Five FHWA Discretionary Programs, RCED-97-14.
- 11/04/97 Federal Highway Programs: Status of Federal Highway Programs in the Absence of Reauthorization, T-RCED-97-38.
- 11/03/97 Commercial Motor Carriers: DOT is Shifting to Performance-Based Standards to Assess Whether Carriers Operate Safely, RCED-97-8.
- 08/08/97 Commercial Passenger Vehicles: Safety Inspection of Commercial Buses and Vans Entering the United States From Mexico, RCED-97-194.
- 07/23/97 Rail Transportation: Federal Railroad Administration's New Approach to Railroad Safety, RCED-97-142.
- 06/30/97 Federal-Aid Highway Program: Impact of the District of Columbia Emergency Highway Relief Act, RCED-97-162.
- 06/25/97 Highway Safety: NHTSA's Activities Concerning State Motorcycle Helmet Laws, RCED-97-185R.
- 06/05/97 Highway Funding: The Federal Highway Administration's Funding Apportionment Model, RCED-97-159.
- 05/30/97 Surface Transportation: Regional Distribution of Federal Highway Funds, RCED/HEHS-97-167R.
- 04/29/97 Surface Transportation: States Are Experimenting With Design-Build Contracting, RCED-97-138R.
- 04/23/97 Intercity Passenger Rail: Amtrak's Financial Crisis Threatens Continued Viability, T-RCED-97-147.
- 04/09/97 Commercial Trucking: Safety Concerns About Mexican Trucks Remain Even as Inspection Activity Increases, RCED-97-68.
- 03/13/97 Intercity Passenger Rail: The Financial Viability of Amtrak Continues to be Threatened, T-RCED-97-94.
- 03/12/97 Intercity Passenger Rail: Amtrak's Financial Viability Continues to be Threatened, T-RCED-97-80.
- 03/06/97 Surface Transportation: Prospects for Innovation Through Research, Intelligent Transportation Systems, State Infrastructure Banks, and Design-Build Contracting, T-RCED-97-83.
- 02/28/97 Transportation Infrastructure: Managing the Costs of Large-Dollar Highway Projects, RCED-97-47.
- 02/26/97 Transportation Infrastructure: States' Implementation of Transportation Management Systems, T-RCED-97-79.

- 01/13/97 Transportation Infrastructure: States' Implementation of Transportation Management Systems, RCED-97-32.
- 12/04/96 Commuter Rail Service in Wisconsin and Illinois, RCED-99-29R.
- 10/31/96 State Infrastructure Banks: A Mechanism to Expand Federal Transportation Financing, RCED-97-9.
- 09/17/96 Urban Transportation: Metropolitan Planning Organizations' Efforts to Meet Federal Planning Requirements, RCED-96-200.
- 09/06/96 Surface Transportation: Research Funding, Federal Role, and Emerging Issues, RCED-96-233.
- 08/30/96 BART Airport Extension Update, RCED-96-246R.
- 07/26/96 Transportation Enhancements: Status of the \$2.4 Billion Authorized for Non-motorized Transportation, RCED-96-156.
- 07/24/96 Amtrak's Strategic Business Plan: Progress to Date, RCED-964-187.
- 06/28/96 DC Emergency Highway Relief Act, RCED-96-196-187.
- 06/27/96 Northeast Rail Corridor: Information on Users, Funding Sources, and Expenditures, RCED-96-144.
- 05/31/96 Mass Transit: Actions Needed for the BART Airport Extension, RCED-96-176.
- 04/01/96 Railroad Safety: DOT Faces Challenges in Improving Grade Crossing Safety, Track Inspection Standards, and Passenger Car Safety, T-RCED-96-114.
- 04/01/96 Railroad Safety: DOT Faces Challenges in Improving Grade Crossing Safety, Track Inspection Standards, and Passenger Car Safety T-RCED-96-115.
- 09/07/95 Niagara Falls Bridge Commission: Audit of Capital Development Efforts and Selected Financial Practices, RCED-95-92.
- 08/02/95 Railroad Safety: Status of Efforts to Improve Railroad Crossing Safety, RCED-95-191.

Testimony before the U.S. Congress on behalf of Department of Transportation:

- 05/20/03 Surface Transportation Board's Budget before the House Transportation and Infrastructure Rail Subcommittee.
- 09/25/03 Innovative Financing of Transportation Infrastructure Projects before the Joint Hearing of the Senate Committees on Environment and Public Works and Finance.

Speeches

- 10/27/02 Present and Future of Core Federal Funding at the 3rd National Transportation Finance Conference of the Transportation Research Board in Chicago, Illinois.

16. Please identify each instance in which you have testified orally or in writing before Congress in a non-governmental capacity and specify the subject matter of each testimony: None

B. POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreement, and other continuing dealings with business associates, clients, or customers: None.
2. Do you have any commitments or agreements, formal or informal, to maintain employment, affiliation or practice with any business, association or other organization during your appointment? No.
3. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

General Partner-Vista Apartments, Palo Alto, CA.

Please refer to the opinion letter of the DOT Office of General Counsel.

4. Describe any business relationship, dealing, or financial transaction which you have had during the last 5 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated: None.
5. Describe any activity during the past 5 years in which you have been engaged for the purpose of directly or indirectly influencing the passage, defeat, or modifica-

tion of any legislation or affecting the administration and execution of law or public policy: None.

6. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items.

Please refer to the opinion letter of the DOT Office of General Counsel.

C. LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? No.

2. Have you ever been investigated, arrested, charged, or held by any federal, state, or other law enforcement authority of any federal, state, county, or municipal entity, other than for a minor traffic offense? No.

3. Have you or any business of which you are or were an officer ever been involved as a party in an administrative agency proceeding or civil litigation? No.

4. Have you ever been convicted (including pleas of guilty or *nolo contendere*) of any criminal violation other than a minor traffic offense? No.

5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be disclosed in connection with your nomination: None.

6. Have you ever been accused, formally or informally, of sexual harassment or discrimination on the basis of sex, race, religion or any other basis? No.

D. RELATIONSHIP WITH COMMITTEE

1. Will you ensure that your department/agency complies with deadlines for information set by congressional committees? Yes.

2. Will you ensure that your department/agency does whatever it can to protect congressional witnesses and whistle blowers from reprisal for their testimony and disclosures? Yes.

3. Will you cooperate in providing the Committee with requested witnesses, including technical experts and career employees, with firsthand knowledge of matters of interest to the Committee? Yes.

4. Are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so? Yes.

The CHAIRMAN. Thank you very much.

You both come very highly recommended and I will say that Secretary Mineta called me personally over the weekend to see if we could schedule this hearing so that he could have the assistance of the two of you, and urged that we proceed as rapidly as possible because of the problems he faces without the positions that you will hold being filled.

So I want you to know that I read through the background statement that each one of you provided the Committee last night. I commend you on your careers to date and believe that you really have the background that is necessary, each of you, for the positions that the President has nominated you to fill.

I really, in view of what I read last night, do not have any questions concerning that. Senator Inouye, do you have any questions of the ladies?

Senator INOUE. I have just one question, Mr. Chairman. A few days ago we conducted a hearing in which we discussed financing for the security operations, TSA and other security operations, and we learned that over 90 percent of the funds available go for one purpose, airlines. What are your concerns about the other modes of transportation?

The CHAIRMAN. Ms. Cino?

Ms. CINO. Senator, I know, with regards to security, that is an issue that we work very closely with Homeland Security on and they take the lead in developing our strategy and procedures for se-

curity. I know that we are very, very fortunate to have the new Deputy Secretary of Homeland Security, Michael Jackson, who served with us at the Department of Transportation the first 2 years of the Administration. I look forward to working with him to do everything we possibly can with regards to ensuring safety and, if confirmed, I look forward to working with this Committee to ensure that our fellow Americans on transportation modes are secure in all that they do.

Senator INOUE. One more. Several suggestions have been made that if we go below \$1.3 billion for Amtrak it would put them on the route to bankruptcy. Is there any credence to that?

Ms. CINO. I think, Senator, in my conversations with the Secretary, Secretary Mineta is committed to doing all he can for Amtrak, so much so that he has traveled around the country, he has met with elected officials, he has met with rail workers, and even has had conversations with our daily commuters, those folks that use the rail system.

With regards to that, I know that the Secretary and the Administration are committed to saving Amtrak with the fundamental changes and the reforms that will be necessary to see this entity go on. If confirmed, I look forward to working with this Committee to make sure that we have a bill that we can enact and the President will sign.

In addition, I think we have already made some good progress with regards to having proposals. We have the Administration proposal, obviously, but in addition Amtrak presented last week their proposal, and I believe that last week we were also encouraged by Senator Lott in expressing his desire to have a bipartisan bill in the next couple of weeks.

Again, we look forward to making sure, both the Administration and Secretary Mineta, that we are able to save Amtrak with the fundamental changes and the reforms that we think are necessary.

Senator INOUE. Thank you very much, Ms. Cino.

The CHAIRMAN. Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman. I again want to congratulate both the nominees. We are pleased at your willingness to serve in these very, very difficult times.

As far as Amtrak is concerned, Ms. Cino and Ms. Scheinberg, we are going to continue to pump money in and it is going to continue to fail and things are going to happen as this latest failure of the Acela trains because, as we all know, rushed into service, billions of dollars, taxpayers' dollars, will be spent.

The Administration proposal, Ms. Cino, is good. The President's proposal is very good for Amtrak. Will it happen? Probably not, probably not. But I applaud the President's courage in saying something has got to be done.

Very few benefits of old age that I have found, but one of them is to remember when heads, presidents of Amtrak, came before this Committee and said: We are on a glide path to financial solvency; do not worry because we have got this new train; and let us continue to subsidize these long distance rail services which lose hundreds of dollars per passenger. And Members of this Committee continue to strongly support money-losing propositions when less than 1 percent of the passengers in America ride on railroads.

Billions and billions of the taxpayers' money will continue to be spent frivolously and outrageously. Yes, I believe that we need a Northeastern Corridor of rail and I have strongly supported it. But to support the so-called Sunset Limited that I believe is a \$105 or \$205 per passenger subsidy—I still remember the great story in the New York Times Magazine about the guy that rode it one time, and finally ended up taking a bus for the last quarter of the trip.

So we will continue to pump money into Amtrak. We will continue to lose, to subsidize money-losing routes, and the taxpayer is the one that is going to suffer. This latest Acela thing is one in a long series of Amtrak difficulties that have cost the taxpayers billions of dollars, and again after being assured time after time by then-heads of Amtrak that everybody is fine and that everything is going to be just fine.

So I applaud the President's courage in coming forward with an initiative that at least will educate the American people. Will it pass the Congress? No. But I certainly do applaud the President's courage in saying we have got to do something about this dramatically money-losing enterprise that was designed years ago to be turned over to the private sector after just a few years, which probably will not be in my lifetime.

One other area I wanted to discuss with you is, I was in the Phoenix airport yesterday preparing to fly back to Washington. There was a security brief, and we all paused for a period of time. The thing that is most disappointing to me about TSA is that to my knowledge since we organized TSA and the security procedures at airports I have not seen one single technological advance as far as passengers are concerned. There should be a better way of moving people through airports, and that is obviously through technology.

Hardly a day goes by that somebody—that I do not get a letter from some small business or medium size business or large corporation that says: Look, we have got some technology here that we think will enhance security and expedite people moving in and out of airports. You have got to start looking at this technology so that we can remove the almost permanent gridlock that we see in major airports across America today.

I admire and respect TSA employees, but it is not manpower that is going to do it; it is technology.

Finally, Ms. Scheinberg, I want to especially thank you for the great work you did at GAO. You were honest and straightforward and I hope none of those candid and honest opinions you gave will impede your nomination for this position.

I want to congratulate the family members and friends of both of the nominees who are here today. I know it is a very proud time for you.

Would you want to respond to that diatribe, Ms. Cino or Ms. Scheinberg?

Ms. CINO. Senator, I have not been at the Department very long, but I think I will reserve the right to take your comments and bring them back to the Department.

Ms. SCHEINBERG. Senator, I agree with you that we need to work on technology and we at the Department of Transportation, including Secretary Mineta who very strongly believes the same, will be

working with the Department of Homeland Security on these issues.

Senator McCAIN. Well, I thank you.

Mr. Chairman, thank you. I again want to say that I believe that technology is out there and there seems to be, at least in the opinion of those who are trying to at least give serious consideration for these technologies, kind of a bureaucratic gridlock, that if we do nothing then we have not made a mistake, and therefore the status quo is fine.

The status quo at airports is not fine, as you know, particularly in the major airports around America. I in a way am a little bit surprised at the incredible patience and good humor that most Americans show as they are required to take off their shoes, their bracelet, their jacket. I think it is a testimony to the willingness of the American people, but I think it is harmful to our airlines and I think it is harmful to our ability to transport people from one place to another throughout America.

I congratulate both of you. We look forward to working with you and thank you for your willingness to serve.

Thank you, Mr. Chairman.

Ms. CINO. Thank you, Senator.

Ms. SCHEINBERG. Thank you, Senator.

The CHAIRMAN. Before I yield to Senator Lautenberg, let me say that this afternoon we have a hearing scheduled at 2 p.m. At that time, if we have a quorum I will ask consent to report these two nominations, with the hopes that we might be able to get them confirmed before the recess that starts on Friday.

I have also just been called to the floor, so I hope that I can leave this in your gentle hands, Senator Inouye. I think Senator McCain is leaving. So am I. I yield to Senator Lautenberg.

Senator LAUTENBERG. All of us are veterans, all four of us, so as a consequence we know how to deal with one another in guarded fashion.

The CHAIRMAN. Very guarded.

Senator LAUTENBERG. Thank you very much, Mr. Chairman.

I am sorry that Senator McCain had to go because I was pleased to hear him make a commitment that we are going to keep pumping money into Amtrak. That was very nice of him to make that kind of a suggestion.

The fact of the matter is that in my view Amtrak is essential and I am sure that each of you is aware of the fact that the entire aviation system shut down on 9/11 and the only thing that was operating with any degree of reliability was Amtrak. So how in this day and age of security consciousness can we decide to cut out this one important mode of transportation?

Twenty-five million people rode Amtrak last year, Senator Inouye, and we continue to hope that we are going to make Amtrak finally what it is supposed to be. That includes government subsidy. There is not a country in the world that has a reasonably decent operation on passenger rail that does not subsidize it in some way. Even in the UK, where they turned much of it over to private hands, now it gets more subsidy than it did before, except that it passes through one stage where people can take off a few pennies

before, a few pence, whatever they call it there, before it goes towards moving passengers.

I wanted to point out something else. We have a service that we call Essential Air Service. It is designed to keep communities from being so isolated that transportation in and out is very difficult. It costs as much as \$200 per passenger for every passenger that is included on an Essential Air Service route. And contrary to the impressions that my distinguished colleague had about promises that were made by chiefs of Amtrak that the railroad would soon be on a glide path to fiscal sustainability, I do not remember, and I have been here a long time—I know I just look like a freshman, but I have been here a long time. The fact of the matter is that we had statements from heads of the railroad who said we cannot ever do the capital financing that we need and meet our operating requirements. It just cannot be done.

So when we look at the costs, Mr. Co-Chairman, Acting Chairman—and I wish you permanent chairmanship—the fact of the matter is that rail service cannot be done without recognizing that a subsidy is necessary. I hope that the President can realize this fact.

Do either of you share a different view than I do about the essentiality of Amtrak? How about Buffalo, Ms. Cino? It is a very important city on our northern border—and I know the places, not quite as well perhaps as Senator Clinton, but Binghamton, Rochester. What would reliable, relatively high speed service mean to a city like Buffalo or other cities that are isolated like that?

Ms. CINO. Thank you very much, Senator. With regards to Amtrak and the rail service, but in particular with regards to Amtrak, I know that smarter people than I have been talking about this issue for the last 35 years. But I must say in the last 12 days, working days that I have actually been at the Department of Transportation, I have probably spent 10 full days working on Amtrak and rail issues. So while I am not quite up to speed, I feel that I have had a pretty good lesson over the last 12 days.

With regards to Amtrak, I believe again that the Secretary is committed, the Administration is committed, to saving Amtrak, but looking for some of the reforms that have been talked about both in the Amtrak bill and certainly I think perhaps even by Senator Lott with regards to making sure that we preserve the rail system, but again incorporate the reforms to help us become more solvent and sound.

Senator LAUTENBERG. Ms. Scheinberg, do you with your budget experience have any views on what we do about Amtrak?

Ms. SCHEINBERG. Yes, Senator Lautenberg. I totally agree with you, and the Secretary and the President agree with you, that we cannot have an intercity passenger rail system in this country without federal support. It makes sense that the federal support be for capital investment, as it is with highways and airports. The Federal Government supports capital investment, and the state and local governments support the operations of the mode of transportation. That is a cornerstone of the President's reform package.

I know the Secretary has said that with reform will come money, will come financing. But at the moment the system that we have is broken. For over 30 years we have been providing money to Am-

trak and it is actually having more and more problems. What we are trying to do with the President's proposal is to reform the system so that we can spend our federal dollars wisely and have a better intercity passenger rail system.

Senator LAUTENBERG. Well, I can see that Secretary Mineta has had a chance to impart his wisdom and knowledge to each of you. The words are not really comforting, though they are nicely said by intelligent people. When they talk about reform around here now, it usually refers to turning a government function over to private hands. Well, I remind everybody that Amtrak was in private hands until the government was forced to take it over, with bankruptcies being the spur to move these things.

So if we look at what has happened, we took the airport security screeners away from private hands because the airlines did such a poor job, and now we are talking about going to perhaps privatize the screeners once again.

I think, Mr. Chairman, that's part of what causes enormous delay is the search for the tiniest scissor or tweezer or things of that nature. I believe that this is a conspiracy by the scissor manufacturers to make sure that they confiscate your scissors so that you can go out and buy new ones.

But it is an outrageous thing, when the cockpit doors are already sealed. I think we ought to be looking at requiring installation of a cabin camera viewed in the cockpit, and if someone sees somebody holding a cabin attendant with something at their throat to be suspicious and maybe do something about it. Instead, we continue to proceed with this incredible search and this humiliation that goes with taking off your shoes, especially if you have got holes in your socks. It is not nice, not for Senators anyway. If the administration would fund less-intrusive screening technology, travellers wouldn't be so inconvenienced.

But we have to look at these things and see what they really mean. If it makes travellers safer, we have got to do it. But a constant reminder that terrorists are looking over our shoulder is not particularly good for the morale of the country. Many people are frustrated, disgusted, and annoyed. I had talked with Secretary Chertoff yesterday and they are looking at the possibility of avoiding this senseless search for a little pair of scissors that do not mean anything when you still have a plastic knife. Some airlines, by the way, give you metal knives and some use only plastic knives. Now, I do not think that one airline cares more about its passengers than the other, so I'd like to know the government's role in providing guidance on this topic.

In any event, I am pleased to see the two of you willing to take on the assignments before you, that the Chairman and other Members of the Committee are anxious to have your confirmation in place. I will join them.

I have many questions and will submit them for the record. I would ask in closing if we could get statistics on what happened while the mandatory universal motorcycle helmet law was in place. I was the author of that, and I know that we in our hospitals in New Jersey had a reduction in neck, head and neck trauma as a result. The federal requirement was repealed a couple of years later, at the urging of people who wanted to be freer, one of whom

had a terrific motorcycle accident, Senator Ben Nighthorse Campbell, at a later time.

So if you could supply that for me it would be helpful, and I thank you both for again your willingness to serve.

Mr. Chairman, I thank you very much.

Senator INOUE. [presiding] Thank you very much, Senator. I also join my Chairman in congratulating the ladies for your spirit of public service. We thank you very much.

Like Chairman Stevens, I received a call from Secretary Mineta. He must think very highly of you, ladies. He called me up just before I went to bed. He was really at work. So we will do our best to expedite your confirmation and do not be surprised if you are in your positions tomorrow.

Ms. CINO. Thank you very much.

Senator INOUE. Thank you very much.

[Whereupon, at 10:48 a.m., the Committee was adjourned.]

A P P E N D I X

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. DANIEL K. INOUE TO
MARIA CINO

Amtrak

Question. As Deputy Secretary, will you take on the role as the representative for the Secretary on Amtrak's Board as some of your predecessors have? What do you believe should be the qualifications of Amtrak Board members? Do you believe the President and CEO of Amtrak should be a voting member of the Board?

Answer. The decision by the Secretary to serve on the Amtrak Board himself or to assign a representative is his alone, but I would be pleased to take on this role if he requested it.

The Amtrak Reform and Accountability Act of 1997 directed that Board members "have technical qualifications, professional standing, and demonstrated expertise in the fields of transportation or corporate or financial management." President Bush and Secretary Mineta have taken this direction seriously and have nominated individuals whose backgrounds meet these criteria. The Act also named the Amtrak President and CEO an *ex officio* member of the Board. The President's reform proposal, which I support, does not seek to change either of these Congressional mandates.

Airport Improvement Program/Facilities and Equipment

Question. The Administration has proposed dramatic cuts to the Airport Improvement Program (AIP) and the Facilities and Equipment (F&E) program in FY 2006. Over the past two years these programs have been cut by more than \$1 billion below their authorized levels.

Are you concerned that this year's planned \$500 million cut in AIP will create problematic formula adjustments that will essentially shut many of the nation's smallest airports out of the funding equation? What do you propose as the most effective solution for the Federal Government to meet the needs of all of our nation's airports?

Does the Administration plan to continue cutting the F&E account in future years? What will the effect of the current proposal be on efforts to modernize the national airspace system?

Answer. I understand that the President's FY 2006 budget specifically proposes legislative language to preserve the entitlement grants for the nation's smallest airports. Further, the President's budget also suggests a minimum amount of money for AIP discretionary funds to allow FAA to target projects of highest priority. FAA believes this will further enable the agency to support the needs of the smaller airports in the system.

I have been reassured by FAA that the slight reduction in the FY 2006 Facilities and Equipment budget will not affect the FAA's modernization plans or delay projects that directly contribute to FAA's strategic safety and capacity goals. Obviously, I cannot predict future levels of F&E funding, but if confirmed, I will work closely with Secretary Mineta, the Committee on Commerce, Science and Transportation and the FAA to ensure that adequate funds are budgeted to allow the FAA to move forward with modernization projects that are critical to the national airspace system.

Automated Flight Service Stations

Question. The Nation's Automated Flight Service Stations (AFSS) were recently contracted out through the A-76 process. There have been some indications that anticipated savings over the first 5 years of the contract are far smaller than indicated.

Can you provide a detailed update of the status of the AFSS contract? Do you support using the A-76 process on other components of the nation's air traffic control system?

Answer. On February 1, 2005, the FAA awarded a contract to Lockheed Martin for the services provided to general aviation pilots through a network of 58 Automated Flight Service Stations located in the continental United States, Puerto Rico and Hawaii. Three new Hubs will be built in Leesburg, Virginia; Ft. Worth, Texas; and Prescott, Arizona. Seventeen other existing facilities will be refurbished and continue operation. Thirty-eight facilities will be closed. The FAA has told me that the estimated savings from this contract substantially exceed the required A-76 \$1 billion level and that the process was supported by general aviation pilots that use these services.

I understand that Secretary Mineta designated air traffic control a “core function” of the FAA and therefore not subject to competitive sourcing. I am not aware that this issue is being revisited at the Department.

Maritime—Title XI

Question. The Title XI ship financing program has recently undergone significant reforms to meet Congressionally mandated recommendations. Yet the financial safeguards the IG has imposed above and beyond GAO and Congressional requirements, has lead to excessive oversight, redundant reviews, and unpredictable bureaucratic red tape by the newly formed Credit Council.

How do you intend to revitalize Title XI to focus the expertise of the Maritime Administration and the Department’s limited resources to make this program functional once again?

Answer. It is my understanding that the Credit Council was created to provide overarching credit policy direction for *all* of the Department’s credit programs. As with the implementation of any new process, the Secretary views the new credit process as a work in progress, which will be modified as needed to incorporate future refinements over time.

With the obligation of Title XI subsidy for the Hawaii Superferry project, I am told that there are effectively no subsidy funds available for new Title XI loan guarantees. Consistent with the Administration’s intent to eliminate corporate subsidies, the President’s FY 2006 Budget did not request subsidy funds for new Title XI loan guarantees. Thus, the Department’s main focus is ensuring that the Maritime Administration has the tools it needs to manage the outstanding Title XI portfolio effectively.

Maritime—Port Infrastructure Development/SEA-21 Initiative

Question. Secretary Mineta has repeatedly and openly discussed the Department’s proposed Sea Transportation Efficiency Act of the 21st Century Act (SEA-21) in numerous speeches throughout the country. I know the Marine Transportation System National Advisory Council (MTSNAC) presented their recommendations to Secretary Mineta in November of 2003 and the Secretary has since proposed his recommendation to the White House.

With our country woefully lacking in a comprehensive federal policy for port infrastructure development, given the expected doubling of growth over the next fifteen years, how does the department plan to address these significant shortcomings in our Nation’s transportation systems?

Answer. Secretary Mineta believes that a comprehensive marine transportation system improvement initiative would enhance the nation’s overall transportation system, and he has asked his staff to undertake a comprehensive review of the marine transportation system and develop a package of recommendations. The Secretary has also successfully advocated for the creation of an Interagency Committee on the Marine Transportation System—a cabinet-level committee that he will chair. The Secretary’s ultimate goal in developing a “SEA-21” proposal is to deliver a marine transportation system that enhances the efficiency, productivity, and capacity of our nation’s intermodal transportation system.

If confirmed, I look forward to working closely with the Secretary and Members of the Committee on Commerce, Science and Transportation to ensure that our maritime system is a vibrant piece of our national transportation network.

Maritime—Review of Title XI Applications

Question. The National Defense Authorization Act for Fiscal Year 2004 (Pub. L. 108-36) has a statutory provision for independent reviews of Title XI applications. The Committee report accompanying the legislation makes clear that Congress did not intend for this authority to be used in “routine cases or where MARAD already has sufficient expertise to assess full the risk or approving a loan guarantee application.”

In view of clear Congressional intent, why is MARAD required to obtain independent reviews from applications that appear to be routine or clearly within MARAD’s expertise?

Answer. I have been assured that MARAD is not required to obtain independent reviews of Title XI applications that would be counter to the guidance provided in the Conference Report accompanying the 2004 DoD Authorization Act. To date, there has been only one Title XI application—Hawaii Superferry—for which an external advisor has been retained. Although I was not here at the time, I have been told that MARAD proposed—and the Department agreed—that an external advisor should be retained in that case, because the project involved an applicant with less than 5 years operating experience and service in a new market.

Maritime—Credit Council Review of Title XI Applications

Question. It is my understanding that Title XI applications go through three different reviews before they are presented to the Credit Council. This seems to be very redundant and an inefficient use of government resources.

In this era of serious personnel constraints, how is this duplication of efforts justified?

Answer. It is my understanding that the reviews that occur prior to an application being presented to the DOT Credit Council are concurrent and are done with existing Department personnel. In light of past concerns expressed by Congress and the findings and recommendations of the DOT Inspector General and the Government Accountability Office, the Department believes that these different reviews are an important part of the Department's due diligence in the review of Title XI applications. If confirmed, I will look for ways to refine the Department's evaluation process and will certainly be open to suggestions from the Congress for improvements in the process.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. DANIEL K. INOUE TO
PHYLLIS F. SCHEINBERG

Amtrak—Funding Stream

Question. Most of our federal capital grant programs for transportation feature some sort of dedicated, multi-year, guaranteed funding stream. Experts widely agree that the stability provided by such dedicated funding is essential for the development of a successful large-scale transportation program.

As Assistant Secretary for Budget and Chief Financial Officer for the Department, will you support the creation of a dedicated, multi-year, guaranteed funding stream for intercity passenger rail and Amtrak? If so, how should this be structured?

Answer. The President's legislative proposal to restructure intercity passenger rail transportation in the U.S. would establish a permanent federal grant program for capital projects to public entities that decide on infrastructure investments. This proposed authorization is structured to parallel the existing capital assistance program for public transit new starts projects.

The transit grant system is based on a full funding grant agreement (FFGA) between the Federal Government and the local public project sponsor. The FFGA identifies the total cost of the project and the federal and local funding shares. The funding for transit capital projects comes from the transit portion of the Highway Trust Fund. The funding source for the proposed intercity passenger rail infrastructure grants has not been identified.

If confirmed, I look forward to working with you to use the transit model as a possible example in reforming the process and funding of federal grants for intercity passenger rail infrastructure projects.

FAA Cost Accounting

Question. What is the status of the Federal Aviation Administration's (FAA) cost accounting system methodology? What do you hope to gain from it when it is developed?

Answer. As of April 2005, FAA has provided cost accounting information for all of its FY 2004 data and for the first quarter of FY 2005 for two of its four lines of business. FAA plans to have Cost Accounting in place throughout the agency by June 2006. It should be noted that FAA has implemented a labor distribution reporting process where over 43,000 employees now report their time by project and task.

To help stress the importance of finance, FAA has revamped its executive and management training to include a focus on improved financial accountability. FAA is committed to completing the implementation of the Cost Accounting System and if confirmed, it would be my expectation that FAA would use this valuable financial information in making business decisions.

One example of where that is already being done is in the Air Traffic Organization, which is establishing unit cost metrics to help drive efficiencies within the organization. The recently published ATO Annual Performance Report to Congress noted that FY 2004 costs per flight fell an estimated \$17. The support for this number came directly from the FAA Cost Accounting System.

