

Transportation Management and Infrastructure Ad Hoc Committee
Remarks by W. B. Cook
Chairman, SCDOT Commission
September 30, 2014

Mr. Chairman and Committee Members:

Thank you for allowing me to be here today to testify on behalf of the SCDOT Commission. I represent Congressional District 5 and am humbled to currently serve as the Chairman of the Commission.

Joining me today is:

Commissioner Jim Rozier, Vice Chairman, representing District 1

Commissioner John Hardee, representing District 2

Commissioner Mike Wooten, representing District 7

I am glad to represent the SCDOT Commission before your Committee. I have a limited understanding of the scope of this Committee's responsibility but I've heard you will be looking at Act 114, management and operations, and funding.

So let me start with what I believe is the hottest issue on the table...funding.

The transformation of South Carolina did not begin until Governor Hollings started recruiting industry and promoting tourism. South Carolina has transformed from an agricultural and textile-based economy to an industry and tourism state with a need for a strong, modern transportation infrastructure. The Department and State have not been able to keep pace with the growth because the resources just have not been enough to allow us to keep up. With a limited stream of

resources to maintain such a large road system, I believe funding is the biggest challenge we face and I know that some of you believe that as well.

SCDOT has a talented team of professionals who demonstrate their desire to maintain and improve our road system every day and to serve the citizens of South Carolina. I truly believe that SCDOT has a strong management team in place with a mission to serve the citizens of South Carolina with good stewardship and transparency. I witnessed agency leaders pulling themselves out of a cash crisis in 2011 and making changes to improve cash management and forecasting. I believe one of the recent success stories is the agency's ability to manage through a \$165 million dollar ice storm, maintaining a positive cash balance and resuming normal day-to-day business. As noted recently by a Reason Foundation Report, SCDOT was ranked #4 in the nation for highway performance and efficiency. Unfortunately, we are ranked #49 for highway fatalities.

The Commission and the Department of Transportation have and are being good stewards of the current funds it receives and of the additional funds given under Act 98. SCDOT has 55 million dollars on the street now in Act 98 resurfacing funds, with plans to grow it to 100 million dollars by February. We currently have 33 Act 98 bridge projects underway, with plans to grow it to 60 bridge replacement projects in 2015. The largest Act 98 project, I-85/385 is under construction, the I-20 and I-77 projects have been accelerated, and the first public meeting on the I-85 project will occur in approximately two months.

As you look at the agency's operations, I would encourage you to seek an in-depth understanding of revenue streams and the strings attached to them. Nearly 60% of SCDOT's funding is from the federal gas tax. Finding a way to diversify revenues is going to be critical. I would also

encourage you to understand the process of overlaying those financial resources with the projects going out the door and the complexity of the project planning process. Major interstate projects require extended engineering and permitting. We can control the engineering but we have no control over the permitting.

It's not as simple as just thinking there's a need and looking at the Department to start a project. And this is where Act 114 comes in.

The Commission believes the intent of Act 114 to prioritize and select projects in an objective manner has been met and supports the use of such guidelines to take the politics out of project selection. Act 114 created a "Fix it First" approach to the state's highway system, meaning that you will always fix the worst roads and bridges first. That sounds practical, but does not help the Department in its efforts to meet capacity and congestion issues due to economic development. We need the ability to choose those roads and bridge improvements that have a positive economic impact. We need the ability to choose those projects that support growth of the economic base of this State and provide centers of employment. I am not the technical expert to tell you how to accomplish this, but I ask for your consideration in working with those in our state who can provide the technical expertise if you will be re-evaluating the priority process.

You have heard from our SCDOT staff of some of the time delays caused by the transfer of some of the duties of the Secretary to the Commission through Act 114. Since we are a body that meets monthly, transferring some of the more day-to-day functions of the agency back to the Secretary should be deliberated.

The Commission also asks for you to consider longer terms for Commissioners. You will discover through your service on this committee, SCDOT is a very complex agency and the learning curve can be quite steep.

The last item I have to comment on related to Act 114 is the agency's governing structure. Prior to Act 114, the Highway Commission led an agency that developed and built one of the finest highway systems in the nation. Under the Commission one of the engineering marvels of the world was built – the Ravenel Bridge. As a Commission, the General Assembly is holding us accountable for a number of items outlined in Act 114. These include, but are not limited to, approval of a \$1.6 billion dollar budget, contracts in excess of \$500,000, the State Comprehensive Plan, and the State Transportation Improvement Plan (STIP). The current working relationship between the Secretary of Transportation and her leadership team is good. The working relationship between the Secretary and the Commission is good. But the governing structure as dictated by Act 114 is disjointed and restricts our ability to lead effectively. The Legislature has given us a tremendous amount of authority, but no teeth to ensure administration is carrying responsibilities through to completion. Through your deliberations, I ask for your help in defining exactly what you want and expect of an SCDOT Commission.

Thank you for allowing me to be here today to testify on behalf of the SCDOT Commission.